

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**
FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code	432018
<015> Study Area Name	PIONEER TEL COOP INC
<020> Program Year	2015
<030> Contact Name: Person USAC should contact with questions about this data	Nick Kretchmar
<035> Contact Telephone Number: Number of the person identified in data line <030>	4053750180 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	nekretchmar@ptci.com

ANNUAL REPORTING FOR ALL CARRIERS		54.313 Completion Required	54.422 Completion Required
		(check box when complete)	
<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input type="checkbox"/> <-- check box if no outages to report		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<300> Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<310> Detail on Attempts (voice)	<div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	46	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<330> Detail on Attempts (broadband)	432018ok330.pdf <div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attach descriptive document)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410> Fixed	1.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420> Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<440> Fixed	1.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<450> Mobile	0.0	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> 432018ok510.pdf <div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attached descriptive document)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> 432018ok610.pdf <div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attached descriptive document)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1000> Voice Services Rate Comparability	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1010> 432018ok1010.pdf <div style="border: 1px solid black; height: 40px; width: 100%;"></div> (attach descriptive document)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if not, check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<1110>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<2005>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**(100) Service Quality Improvement Reporting
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	432018
<015>	Study Area Name	PIONEER TEL COOP INC
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Nick Kretchmar
<035>	Contact Telephone Number - Number of person identified in data line <030>	4053750180 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	nekretchmar@ptci.com
<110>	Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5	
<111>	year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

- <112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

432018ok112.docx, 432018ok112a.pdf, 432018ok112b.pdf

Name of Attached Document

Please check these boxes below to confirm that the attached documents(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <115> How (USF) was used to improve service quality
- <116> How (USF) was used to improve service coverage
- <117> How (USF) was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

✓
✓
✓
✓
✓
✓

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[illegible]

<010>	Study Area Code	432018
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[illegible]

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(800) Operating Companies Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<039>	Contact Email Address - Email Address of person identified in data line <030>	nekretchmar@ptci.com
<810>	Reporting Carrier	Pioneer Telephone Cooperative, Inc.
<811>	Holding Company	
<812>	Operating Company	Pioneer Telephone Cooperative, Inc.

[illegible]

**(900) Tribal Lands Reporting
Data Collection Form**

FCC Form 481

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July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	nekretchmar@ptci.com

<910> Tribal Land(s) on which ETC Serves

Wichita and Affiliated Tribes, Kiowa Tribe of Oklahoma, Fort Sill Apache Tribe of Oklahoma, Delaware Nation, Comanche Nation, Chickasaw Nation, Cheyenne Arapaho Tribes of Oklahoma, Caddo Indian Tribe of Oklahoma, Apache Tribe of Oklahoma


<920> Tribal Government Engagement Obligation

432018ok920.pdf

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select (Yes, No, NA)
Yes

Yes
Yes
Yes
Yes
Yes
Yes
Yes

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

FCC Form 481

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<039>	Contact Email Address - Email Address of person identified in data line <030>	nekretchmar@ptci.com

Please check this box to confirm no terrestrial backhaul
<1120> options exist within the supported area pursuant to § 54.313(G)

☐

Please check this box to confirm the reporting carrier offers
<1130> broadband service of at least 1 Mbps downstream and 256 kbps
upstream within the supported area pursuant to § 54.313(G)

☐

(1200) Terms and Condition for Lifeline Customers
Lifeline
Data Collection Form

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 July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	nekretchmar@ptci.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

432018ok1210.pdf

Name of Attached Document

<1220> Link to Public Website

HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒
- <1222> Details on the number of minutes provided as part of the plan, ☒
- <1223> Additional charges for toll calls, and rates for each such plan. ☒

(2000) Price Cap Carrier Additional Documentation**Data Collection Form***Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

FCC Form 481

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<039>	Contact Email Address - Email Address of person identified in data line <030>	nekretchmar@ptci.com

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

<2010> 2nd Year Certification {47 CFR § 54.313(b)(1)} ☐

<2011> 3rd Year Certification {47 CFR § 54.313(b)(2)} ☐

Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}

<2012> 2013 Frozen Support Certification ☐

<2013> 2014 Frozen Support Certification ☐

<2014> 2015 Frozen Support Certification ☐

<2015> 2016 and future Frozen Support Certification ☐

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

<2016> Certification Support Used to Build Broadband ☐

Connect America Phase II Reporting {47 CFR § 54.313(e)}

<2017> 3rd year Broadband Service Certification ☐

<2018> 5th year Broadband Service Certification ☐

<2019> Interim Progress Certification ☐

<2020> Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year. ☐

<2021> Interim Progress Community Anchor Institutions

Name of Attached Document Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation

FCC Form 481

Data Collection Form

OMB Control No. 3060-0986/GMB Control No. 3060-0819

July 2013

<010> Study Area Code 432018
 <015> Study Area Name PIONEER TEL COOP INC
 <020> Program Year 2015
 <030> Contact Name - Person USAC should contact regarding this data Nick Kretchmar
 <035> Contact Telephone Number - Number of person identified in data line <030> 4053750180 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> nekretchmar@ptcl.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

- (3010) Progress Report on 5 Year Plan
 Milestone Certification (47 CFR § 54.313(f)(1)(i))

Name of Attached Document Listing Required Information

- (3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year. ☒

432018ok3012.pdf

- (3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(iii))

Name of Attached Document Listing Required Information

- (3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))
 (3014) If yes, does your company file the RUS annual report

(Yes/No)

(Yes/No)



Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

- (3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)
 (3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

☐☐

- (3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

Name of Attached Document Listing Required Information

- (3018) If the response is no on line 3014, Is your company audited?

(Yes/No)



If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains

- (3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications ☒

- (3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☒

- (3021) Management letter issued by the independent certified public accountant that performed the company's financial audit. ☒

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

- (3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers, ☐

- (3023) Underlying information subjected to a review by an independent certified public accountant ☐

- (3024) Underlying information subjected to an officer certification. ☐

- (3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

432018ok3026.pdf

- (3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	432018
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<039> Contact Email Address - Email Address of person identified in data line <030>	nekretchmar@ptci.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: PIONEER TEL COOP INC	
Signature of Authorized Officer: CERTIFIED ONLINE	Date 06/23/2014
Printed name of Authorized Officer: Nick Kretchmar	
Title or position of Authorized Officer: Division Manager-Regulatory	
Telephone number of Authorized Officer: 4053750180 ext.	
Study Area Code of Reporting Carrier: 432018	Filing Due Date for this form: 07/01/2014
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agent / Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	432018
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<035> Contact Telephone Number - Number of person identified in data line <030>	4053750180 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	nekretchmar@ptci.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent or Employee of Agent: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Printed name of Authorized Agent or Employee of Agent: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

**(200) Service Outage Reporting (Voice)
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

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<020>	Program Year	2015
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<030> Contact Name - Person USAC should contact regarding this data Nick Kretchmar

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<039> Contact Email Address - Email Address of person identified in data line <030> nekretchmar@ptci.com

<220>

[illegible]

(700) Price Offerings Including Voice Rate Data
Data Collection Form

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 <039> Contact Email Address - Email Address of person identified in data line <030> nekretchmar@ptci.com

<701> Residential Local Service Charge Effective Date

1/1/2014

<702> Single State-wide Residential Local Service Charge

<703>

<a1>	<a2>	<a3>	<b1>	<b2>	<b3>	<b4>	<b5>	<c>
State	Exchange (ILEC)	SAC (CETC)	Rate Type	Residential Local Service Rate	State Subscriber Line Charge	State Universal Service Fee	Mandatory Extended Area Service Charge	Total per line Rates and Fees
OK	ALINE		FR	14.95	0.0	0.1	0.0	15.05
OK	AMES		FR	14.95	0.0	0.1	0.0	15.05
OK	APACHE		FR	14.95	0.0	0.12	4.12	19.19
OK	ARNETT		FR	19.4	0.0	0.12	0.0	19.52
OK	BLANCHARD		FR	14.95	0.0	0.13	5.78	20.86
OK	BRADLEY		FR	14.95	0.0	0.1	0.0	15.05
OK	BUFFALO		FR	19.4	0.0	0.12	0.0	19.52
OK	CALUMET		FR	14.95	0.0	0.13	5.78	20.86
OK	CANTON		FR	14.95	0.0	0.1	0.25	15.3
OK	CARMEN		FR	14.95	0.0	0.1	0.0	15.05
OK	CARTER		FR	14.95	0.0	0.1	0.0	15.05
OK	CHATTANOOGA		FR	19.4	0.0	0.12	0.0	19.52
OK	CHESTER		FR	14.95	0.0	0.1	0.25	15.3
OK	CLEO SPRINGS		FR	14.95	0.0	0.1	0.0	15.05
OK	COMANCHE		FR	19.4	0.0	0.12	0.0	19.52
OK	COVINGTON		FR	14.95	0.0	0.1	0.25	15.3
OK	CRESCENT		FR	14.95	0.0	0.13	5.78	20.86
OK	CUSTER CITY		FR	14.95	0.0	0.1	0.25	15.3
OK	DACOMA		FR	14.95	0.0	0.1	0.25	15.3
OK	DAVIDSON		FR	19.4	0.0	0.12	0.0	19.52
OK	DEER CREEK		FR	14.95	0.0	0.1	0.0	15.05

(700) Price Offerings including Voice Rate Data
Data Collection Form

FCC Form 481

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<039> Contact Email Address - Email Address of person identified in data line <030> nekretchmar@ptci.com

<701> Residential Local Service Charge Effective Date
<702> Single State-wide Residential Local Service Charge

1/1/2014

<703>

<a1>	<a2>	<a3>	<b1>	<b2>	<b3>	<b4>	<b5>	<c>
State	Exchange (ILEC)	SAC (CETC)	Rate Type	Residential Local Service Rate	State Subscriber Line Charge	State Universal Service Fee	Mandatory Extended Area Service Charge	Total per line Rates and Fees
OK	DIBBLE		FR	14.95	0.0	0.13	5.78	20.86
OK	DOUGLAS		FR	14.95	0.0	0.12	4.12	19.19
OK	DOVER		FR	14.95	0.0	0.1	0.25	15.3
OK	DRUMMOND		FR	14.95	0.0	0.12	4.12	19.19
OK	FARGO		FR	14.95	0.0	0.1	0.25	15.3
OK	FAY		FR	14.95	0.0	0.1	0.25	15.3
OK	FREDERICK		FR	19.4	0.0	0.12	0.0	19.52
OK	FREEDOM		FR	14.95	0.0	0.1	0.0	15.05
OK	FT SUPPLY		FR	19.4	0.0	0.12	0.0	19.52
OK	GAGE		FR	19.4	0.0	0.12	0.0	19.52
OK	GARBER		FR	14.95	0.0	0.1	0.25	15.3
OK	GEARY		FR	14.95	0.0	0.1	0.25	15.3
OK	GOULD		FR	19.4	0.0	0.12	0.0	19.52
OK	GRANDFIELD		FR	19.4	0.0	0.12	0.0	19.52
OK	HARMON		FR	14.95	0.0	0.1	0.25	15.3
OK	HASTINGS		FR	19.4	0.0	0.12	0.0	19.52
OK	HELENA		FR	14.95	0.0	0.1	0.0	15.05
OK	HENNESSEY		FR	14.95	0.0	0.1	0.25	15.3
OK	HOLLIS		FR	19.4	0.0	0.12	0.0	19.52
OK	HOPETON		FR	14.95	0.0	0.1	0.25	15.3
OK	HUNTER		FR	14.95	0.0	0.1	0.25	15.3

(700) Price Offerings including Voice Rate Data
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	432018
<015>	Study Area Name	PIONEER TEL COOP INC
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Nick Kretchmar
<035>	Contact Telephone Number - Number of person identified in data line <030>	4053750180 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	nekretchmar@ptci.com

<701> Residential Local Service Charge Effective Date
<702> Single State-wide Residential Local Service Charge

1/1/2014

<703>

<a1>	<a2>	<a3>	<b1>	<b2>	<b3>	<b4>	<b5>	<c>
State	Exchange (ILEC)	SAC (CETC)	Rate Type	Residential Local Service Rate	State Subscriber Line Charge	State Universal Service Fee	Mandatory Extended Area Service Charge	Total per line Rates and Fees
OK	KINGFISHER		FR	14.95	0.0	0.13	5.78	20.86
OK	LAHOMA		FR	14.95	0.0	0.12	4.12	19.19
OK	LAMONT		FR	14.95	0.0	0.1	0.25	15.3
OK	LOCO		FR	19.4	0.0	0.12	0.0	19.52
OK	LONGDALE		FR	14.95	0.0	0.1	0.25	15.3
OK	LOYAL		FR	14.95	0.0	0.1	0.25	15.3
OK	MANITOU		FR	19.4	0.0	0.12	0.0	19.52
OK	MARSHALL		FR	14.95	0.0	0.1	0.0	15.05
OK	MAY		FR	14.95	0.0	0.1	0.0	15.05
OK	MENO		FR	14.95	0.0	0.1	0.25	15.3
OK	MOORELAND		FR	14.95	0.0	0.1	0.25	15.3
OK	MUTUAL		FR	14.95	0.0	0.1	0.25	15.3
OK	NASH		FR	14.95	0.0	0.1	0.25	15.3
OK	NEWCASTLE EAST		FR	14.95	0.0	0.13	5.78	20.86
OK	NEWCASTLE WEST		FR	14.95	0.0	0.13	5.78	20.86
OK	OAKWOOD		FR	14.95	0.0	0.1	0.25	15.3
OK	OKARCHE		FR	14.95	0.0	0.13	5.78	20.86
OK	OKEENE		FR	14.95	0.0	0.1	0.0	15.05
OK	ORLANDO		FR	14.95	0.0	0.1	0.0	15.05
OK	POND CREEK		FR	14.95	0.0	0.1	0.25	15.3
OK	PUTNAM		FR	14.95	0.0	0.1	0.25	15.3

**(700) Price Offerings Including Voice Rate Data
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	432018
<015>	Study Area Name	PIONEER TEL COOP INC
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Nick Kretchmar
<035>	Contact Telephone Number - Number of person identified in data line <030>	4053750180 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	nekretchmar@ptci.com

<701> Residential Local Service Charge Effective Date
<702> Single State-wide Residential Local Service Charge

1/1/2014

<703>

[illegible]

(710) Broadband Price Offerings
Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	432018
<015>	Study Area Name	PIONEER TEL COOP INC
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Nick Kretchmar
<035>	Contact Telephone Number - Number of person identified in data line <030>	4053750180 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	nekretchmar@ptci.com

[illegible]

(800) Operating Companies
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	432018
<015>	Study Area Name	PIONEER TEL COOP INC
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Nick Kretchmar
<035>	Contact Telephone Number - Number of person identified in data line <030>	4053750180 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	nekretchmar@ptci.com

<810>	Reporting Carrier	Pioneer Telephone Cooperative, Inc.
<811>	Holding Company	
<812>	Operating Company	Pioneer Telephone Cooperative, Inc.

[illegible]

Following is the Five Year Service Improvement Plan for the Pioneer Telephone Cooperative, Inc. (PTCI or the Company) pursuant to 47 C.F.R. § 54.202(a) (1) (ii) that requires an eligible telecommunications carrier (ETC) to describe with specificity proposed improvements or upgrades to the ETC's network throughout its service area, and to estimate the area and population to be served as a result of the improvements. The USF/ICC Transformation Order states that rate-of-return ETCs must provide broadband service at speeds of at least 4 Mbps downstream and 1 Mbps upstream (4:1) upon reasonable request. A service improvement plan cannot project where in the service area reasonable requests will be made; however, the proposed service improvements in this plan result in the availability of 4:1 service to a greater portion of the Company's service area than is currently available.

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Although this plan is a good faith effort by the Company it is subject to change, given the uncertainty faced by ETCs regarding whether capital investments will be recoverable over the five year planning horizon. For example, future high cost support revenues are subject to unpredictable changes because the nature of the Quantile Regression Analysis caps on high cost support can change annually. The Quantile Regression Analysis is one of many factors that may affect the Company's ability to accomplish this plan in the future. Other factors that may affect the capital improvement plans include erosion of the customer base due to competition, alternative technologies and the economic conditions in the service area.

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Pioneer Telephone owns and operates Seventy Six (76) exchanges in 75 cities/towns serving subscribers in rural central, north, south and western Oklahoma. The service area is west of I-35 that bisects Oklahoma and includes portions of 37 counties. The service area covers over 10,915 square miles.

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The land is used for multiple businesses that would primarily be considered farming and oil & gas services. The Little Sahara State Park and Roman Nose State Park in the communities of Waynoka and Watonga are the primary source of tourism in our serving area, the climate is semiarid.

Baseline Network Description

Pioneer Telephone currently serves 42,144 residential and business access lines. For the purposes of this plan, broadband capable (BC) is defined as service provided at speeds of 4 Mbps downstream and 1 Mbps upstream. An exchange breakdown with square mileage, total number of existing voice lines, and percentage of lines that are BC has been provided in the following Table 1.

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Exchange/Town	Square Miles	Membership	% 4 & 1 Ready
ALINE	103.68	154	50%
AMES	100.75	190	53%
APACHE	186.12	990	64%
ARNETT	262.11	314	69%
BLANCHARD	90.12	2676	77%
BRADLEY	58.25	92	40%
BUFFALO	303.6	470	92%
CALUMET	75.75	277	71%
CANTON	162	444	68%
CARMEN	78	156	92%
CARTER	85.75	140	61%
CHATTANOOGA	171.77	224	66%
CHESTER	154.81	151	44%
CLEO SPRINGS	151	216	66%
COMANCHE	255.5	1272	70%
COVINGTON	88.68	221	76%
CRESCENT	168.18	1171	70%
CUSTER CITY	168.5	192	67%
DACOMA	89.5	72	71%
DAVIDSON	109.75	130	69%
DEER CREEK	65.5	90	53%
DIBBLE	84	809	41%
DOUGLAS	58.18	63	38%
DOVER	78.62	236	64%
DRUMMOND	81.37	246	68%
FARGO	214.44	212	47%
FAY	62	75	52%
FORT SUPPLY	68.6	107	98%
FREDERICK	285.2	1053	80%
FREEDOM	426	190	68%
GAGE	128.43	170	79%
GARBER	91	351	77%
GEARY	243	619	68%
GOULD	132.13	49	82%
GRANDFIELD	177.53	296	82%

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Exchange/Town	Square Miles	Membership	% 4 & 1 Ready
HARMON	336	71	8%
HASTINGS	77.16	68	56%
HELENA	74.81	214	82%
HENNESSEY	229.75	1068	80%
HOLLIS	196	546	72%
HOPETON	142	64	39%
HUNTER	75.5	101	65%
KINGFISHER	241.31	2230	91%
LAHOMA	48.25	350	84%
LAMONT	112.75	166	78%
LOCO	83.7	107	69%
LONGDALE	23.12	167	84%
LOYAL	154	149	42%
MANITOU	64.2	55	67%
MARSHALL	91	114	70%
MAY	202	52	42%
MENO	40.5	112	69%
MOORELAND	212.12	621	79%
MUTUAL	86	74	35%
NASH	127.37	173	57%
NEWCASTLE	85.62	4900	88%
OAKWOOD	128.68	97	37%
OKARCHE	155.31	711	68%
OKEENE	258.62	620	98%
ORLANDO	89.56	129	50%
POND CREEK	166.18	385	86%
PUTNAM	80.5	49	49%
QUINLAN	288	87	34%
RINGWOOD	114	421	43%
SEILING	169.06	469	72%
SELMAN	232.25	56	21%
SENTINEL	156	345	78%
SHARON	103.75	139	32%
SHATTUCK	257.1	613	91%
TEMPLE	85.2	290	82%

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Exchange/Town	Square Miles	Membership	% 4 & 1 Ready
THOMAS	184.87	531	78%
TIPTON	85.27	246	75%
WAKITA	162.81	177	80%
WATONGA	274.62	1257	83%
WAYNOKA	160.4	423	85%
TOTAL		32565	76%

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2014 Improvement Plan

The service improvements described below are estimated to increase the availability of broadband capable service from ~~xx~~76% to 78xx% throughout the service area.

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Newcastle

Complete the deployment of DIPs (Digital Insertion Points) capable of VDSL and ADSL2+ bonding build of the town and rural areas of the town of Newcastle. The DIPs will be fed via Fiber with capacity to support future Fiber to the Premises (FTTP) deployment when customer demand requires.

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Dibble

Three existing DIPs are being upgraded from copper to fiber, as customer demand for bandwidth exceeds the capacity that can be provided via copper plant.

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Blanchard

One new DIP will be deployed in Blanchard in 2014, this will be in the area with the highest customer demand for bandwidth.

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Watonga-Cleo Springs-Dover

Currently we have ~~xxx~~ customers served via a legacy 700-MHz Fixed Wireless product not capable of 4:1 data delivery. Pioneer is upgrading these sites with an LTE technology and will transition ~~xxx~~ customer onto these systems to enable 4:1 capability for data services.

All Exchanges

As Pioneer has core fiber builds our Facilities Engineering team will review all builds to determine opportunities to expand fiber to replace copper fed facilities feeding CSA's. Additionally we will replace legacy DSLAM's with VDSL and Bonded capable DIP's (Digital Insertion Point) able to provide at least 4:1 capability.

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2015-2017 Improvement Plan

At the end of five years it is projected that ~~XX%-86%~~ of all subscribers in the service area will be capable of receiving 4:1 broadband service. All new large scale and green field builds will be completed in the future using FTTP equipment. In exchanges that have retiring copper plant, this plant will be upgraded using fiber as well. In the exchanges that have relatively new copper plant, additional equipment nodes will be placed in order to shorten loop lengths so that a version of VDSL and ADSL2+ with bonding can achieve the recommended broadband rates. In addition, any equipment nodes that are currently being served by copper will be upgraded to fiber feed where and when economically feasible. However, due to the remote and sometimes rugged nature of the terrain in the service areas, and the extremely remote locations of a few subscribers, it will not be possible to economically reach all of the existing subscribers at this time.

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Table 2 provides information of projected costs for 2014 through 2017.

Exchange / City	Description of Network Improvement	2013	2014	2015	2016	2017
Aline	Capacity Improvements				\$16,800.00	
Ames	Capacity Improvements				\$23,100.00	
Apache	Adding new nodes			\$46,466.19	\$13,528.39	
Apache	Capacity Improvements		\$115,500.00			
Arnett	Capacity Improvements			\$46,200.00		
Blanchard	Capacity Improvements		\$54,128.33	\$359,100.00		
Blanchard	Adding new nodes		\$25,108.92	\$159,576.02		
Bradley	Capacity Improvements			\$16,800.00		
Buffalo	Capacity Improvements		\$16,800.00	\$54,600.00		
Calumet	Capacity Improvements					\$29,400.00
Canton	Capacity Improvements				\$46,200.00	
Carmen	Capacity Improvements				\$29,400.00	
Carter	Capacity Improvements				\$23,100.00	
Chattanooga	Capacity Improvements		\$23,100.00			
Chester	Capacity Improvements				\$16,800.00	
Cleo Springs	Capacity Improvements				\$39,900.00	
Comanche	Capacity Improvements		\$109,200.00			
Covington	Capacity Improvements					\$29,400.00
Crescent	Adding new nodes			\$47,171.28		
Crescent	Capacity Improvements		\$16,800.00		\$123,900.00	
Custer City	Capacity Improvements				\$33,600.00	
Dacoma	Capacity Improvements				\$16,800.00	
Davidson	Capacity Improvements		\$23,100.00			
Deer Creek	Capacity Improvements					\$16,800.00
Dibble	Adding new nodes		\$103,821.01	\$415,608.78		
Dibble	Capacity Improvements			\$52,500.00		
Douglas	Capacity Improvements					\$10,500.00

PIONEER TELEPHONE COOPERATIVE INC.

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Drummond	Capacity Improvements				\$33,600.00	
Fargo	Capacity Improvements			\$23,100.00		
Fay	Capacity Improvements				\$10,500.00	
Fort Supply	Capacity Improvements			\$16,800.00		
Frederick	Capacity Improvements			\$81,900.00		
Freedom	Capacity Improvements			\$23,100.00		
Gage	Capacity Improvements			\$23,100.00		
Garber	Capacity Improvements					\$46,200.00
Geary	Capacity Improvements					\$58,800.00
Gould	Capacity Improvements		\$16,800.00			
Grandfield	Capacity Improvements		\$46,200.00			
Harmon	Capacity Improvements			\$10,500.00		
Hastings	Capacity Improvements		\$16,800.00			
Exchange / City	Description of Network Improvement	2013	2014	2015	2016	2017
Helena	Capacity Improvements					\$29,400.00
Hennessey	Capacity Improvements		\$54,128.33			\$128,100.00
Hollis	Capacity Improvements		\$81,900.00			
Hopeton	Capacity Improvements				\$10,500.00	
Hunter	Capacity Improvements					\$16,800.00
Kingfisher	Capacity Improvements		\$89,828.34			
Lahoma	Capacity Improvements				\$52,500.00	
Lamont	Capacity Improvements					\$23,100.00
Loco	Capacity Improvements		\$16,800.00			
Longdale	Capacity Improvements				\$23,100.00	
Manitou	Capacity Improvements		\$10,500.00			
Marshall	Capacity Improvements				\$16,800.00	
May	Capacity Improvements			\$10,500.00		
Meno	Capacity Improvements					\$16,800.00
Mooreland	Capacity Improvements			\$94,500.00		
Mutual	Capacity Improvements			\$10,500.00		
Nash	Capacity Improvements					\$23,100.00
Newcastle	Adding new nodes		\$104,479.23			
Newcastle	FTTP Buildout			\$201,337.50		
Newcastle	FTTP Expansion			\$251,912.50		
Newcastle	Capacity Improvements		\$23,100.00			
Okarche	Capacity Improvements		\$16,800.00			
Okeene	Capacity Improvements		\$16,800.00		\$58,800.00	
Orlando	Capacity Improvements					\$16,800.00
Pond Creek	Capacity Improvements					\$52,500.00
Putnam	Capacity Improvements				\$10,500.00	
Quinlan	Capacity Improvements			\$10,500.00		
Ringwood	Adding new nodes				\$452,164.30	
Ringwood	Capacity Improvements					\$39,900.00
Seiling	Capacity Improvements		\$16,800.00			
Sentinel	Capacity Improvements		\$16,800.00		\$29,400.00	

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Sharon	Capacity Improvements			\$16,800.00		
Shattuck	Capacity Improvements		\$16,800.00	\$71,400.00		
Temple	Capacity Improvements		\$46,200.00			
Thomas	Capacity Improvements		\$16,800.00		\$58,800.00	
Tipton	Capacity Improvements		\$35,700.00			
Wakita	Capacity Improvements					\$23,100.00
Watonga	Capacity Improvements					\$117,600.00
Waynoka	Capacity Improvements		\$16,800.00	\$42,000.00		
GRAND TOTAL			\$1,147,594.16	\$2,085,972.27	\$1,139,792.69	\$678,300.00

Pioneer Telephone Cooperative, Inc. (SAC 432018)

FCC Form 481 (Calendar Year 2013 Data)

Line 112-Service Quality Improvement Reporting

Line 113-See Attached Maps

Line 114-\$8,995,824 USF Support Received in 2013

Line 115-USF Support was used for the ongoing construction, support and maintenance of plant. (See 5 year plan narrative)

Line 116-USF Support was used to extend broadband services for improved coverage.

Line 117-USF was used extend broadband services which improved service capacity.

PIONEER TELEPHONE COOPERATIVE INC.

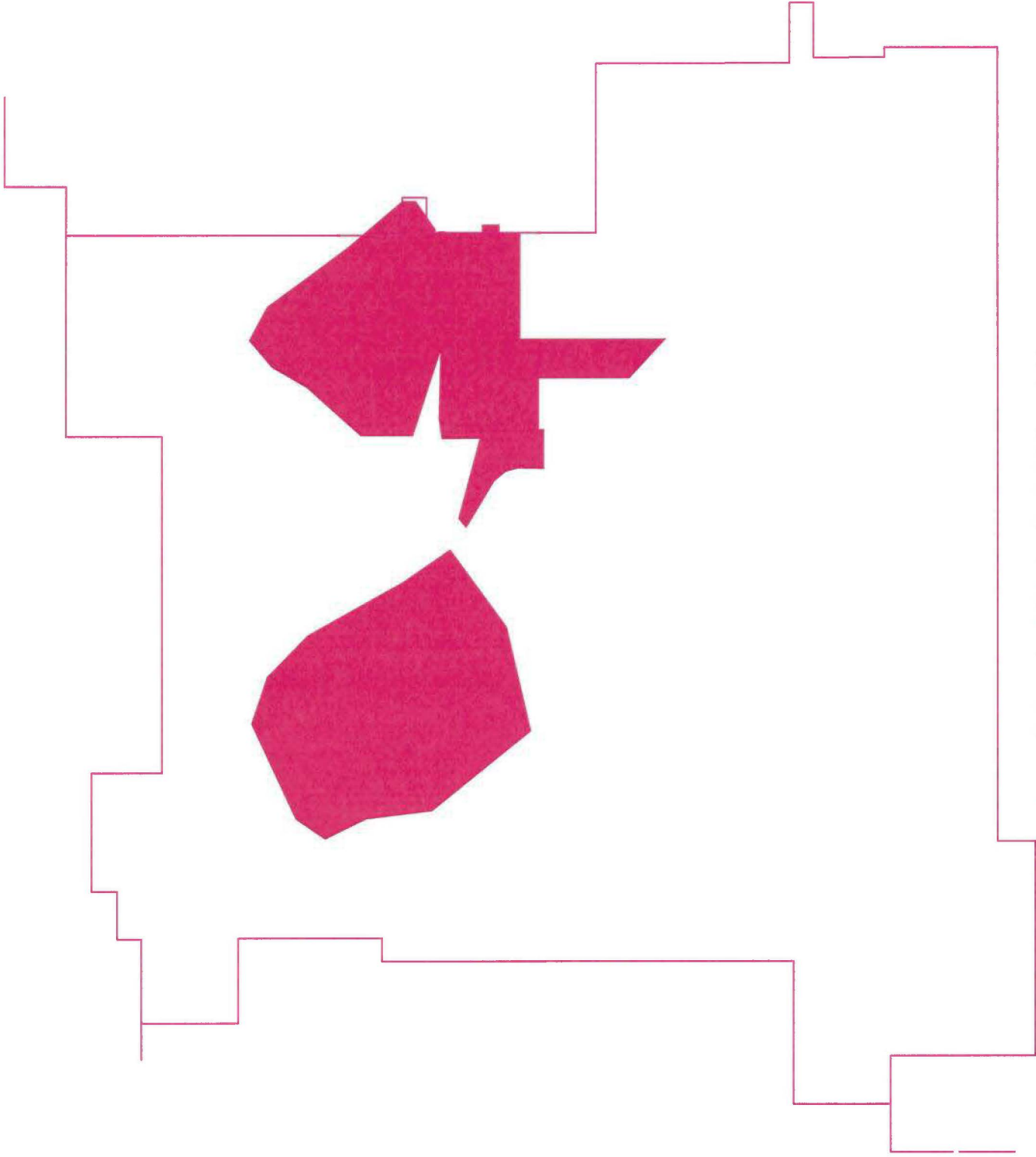
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Line 118-All service target improvements were met in 2013.

PIONEER TELEPHONE COOP., INC.
BLANCHARD
2014





PIONEER TELEPHONE COOP., INC.
DIBBLE
2014

Pioneer Telephone Cooperative, Inc.

Line 330- Detail on attempts(Broadband)

FCC Form 481

Pioneer Telephone's normal procedures are to attempt to fulfill every customer request for Broadband services. Pioneer adds broadband extender equipment to various locations in order to fulfill requests from customers in rural areas. Pioneer also has various fixed broadband wireless systems that can help to fulfill customer requests. If Pioneer cannot serve a customer with any of its products we attempt to get the customer broadband service thru our affiliated wireless company.

RULES AND REGULATIONS

VI. Telephone Solicitation Restrictions, (Cont'd)

K. National Do-Not-Call Registry

1. Registration

The Federal Trade Commission has established a National Do-Not-Call registry for residential customers. Both landline and wireless numbers can be registered. To register the customer may call 1-888-382-1222, or for TTY access, 1-866-290-4236. Customers may also go to www.donotcall.gov to register.

2. Annual Notice

We are required to give an annual notice to our customers telling them how to register.

3. Calls Not Covered

The National Registry will not preclude telephone solicitations made by political organizations, charities, telephone surveyors, or companies with whom customers had or have an existing business relationship within the last 18 months of registration.

4. Complaints

The same telephone numbers and website can be used by customers to file complaints.

VII. CPNI

A. What is CPNI? - CPNI is defined as:

1. information that relates to the quantity, technical configuration, type, destination, location, and amount of use, of a telecommunications service subscribed to by any customer of a telecommunications carrier, and that is made available to the carrier by the customer, solely by virtue of the carrier-customer relationship; and,
2. information contained in the bills pertaining to the telephone exchange service, or telephone toll service, received by a customer of a carrier.

CPNI includes personal information such as phone numbers called by a customer, the length of the phone calls, and services purchased by the consumer, such as call waiting.

RULES AND REGULATIONS

VII. CPNI, (Cont'd)

B. Items Not Considered CPNI, (Cont'd)

1. CPNI does NOT include published directory information, i.e. customer list information such as a customer's name, address, and telephone number, as well as any information that is available in the public domain, or from any other, non-company source.
2. Customer Premises Equipment (CPE) and information services are not considered "telecommunications service" under CPNI rules.
3. Since customer information derived from sales of CPE is not considered CPNI, this information may be used to market CPE and information services to customers, in conjunction with bundled offerings that may include telecommunications service.
4. CPNI regulations may apply to the use of the information covered in paragraph 3., above, for marketing functions.
5. Any information which is in the aggregate, such as the total charges due.

C. Permitted Use of CPNI

CPNI may be used by the carrier in the provision of telecommunications services. CPNI may be used, without customer approval, for four additional reasons:

1. to initiate, render, bill, and collect for telecommunications services;
2. to protect the rights or property of the carrier, or to protect users and other carriers from fraudulent or illegal use of, or subscription to, such services;
3. to provide inbound marketing, referral, or administrative services, to the customer for the duration of the call, if the call was initiated by the customer and the customer approves of the carrier's use to provide such service; or
4. provide call location information concerning the user of a commercial mobile service in certain specified emergency situations.

D. Affiliate Relationships

The federal regulations allow the use of CPNI for marketing of services based on an existing service relationship. The FCC refers to this as "implied consent". So, if a customer already takes service from two of our entities -- for example, Pioneer and PLD -- that existing relationship allows for the sharing of CPNI, without any further authorization from the customer. In this example the customer's CPNI could not be used to try to market cellular service to them; however, the decision has been made to give all customers notice, and to provide this information to our affiliates, only if the customer does not "opt-out".

RULES AND REGULATIONS

VII. CPNI, (Cont'd)

E. Opt-Out

Use of CPNI by carriers, or disclosure of CPNI to parties providing communications services, requires notification to the customer, and a chance to "opt-out", i.e. deny disclosure of their CPNI to our affiliates. When Pioneer sends the CPNI notice to the customer, the customer has 30 days in which to respond to this notice. If the customer does not respond to the notice, then we can assume the customer has no objection to disclosure of their CPNI. Carriers must provide refresher notices to the customers of their opt-out rights every two years. Customers are not given any right to prevent use of their own CPNI, if such use is allowable under C. above.

For customers who do deny our use of their CPNI, make a service order, check the appropriate block on the master screen, and enter the date of their denial. This will be the only record of their opt-out. In the master remarks, note the name of who called with the denial. If a customer later changes their mind, remove the check and date from the master, and note the change in the Master Remarks.

F. Verbal Passwords & Call Detail

Customers must have a verbal password in order to inquire, over the telephone, concerning call detail, or call records. The only time a verbal password is not required to discuss call detail is if a customer calls and has the call details (a copy of the phone bill with call in question) in front of them. Call detail is information on specific calls the customer has made, such as date, time, number called, etc. Only the account holder can establish or change a verbal password. The verbal password can be up to 12 characters, and can be letters or numbers, or a combination of both. If a verbal password is forgotten, the account holder must come in to the office and show a photo ID to get the verbal password. New applicants will need to establish a verbal password when signing up for service.

Many customers do not keep their monthly phone bills, so they must have a verbal password to discuss their call detail with you over the phone. If a customer does not choose to have a verbal password, that is okay.

G. PayONline Passwords

PayONline customers must have a copy of their last bill in order to set up their account, and must establish a password at that time. **THIS IS NOT THE SAME AS THE VERBAL PASSWORD.** If the online password is forgotten, an e-mail will be sent to the e-mail address of record for the account with a new randomly selected password.

H. Customer Notice

Pioneer utilizes a bill message to notify it's customers of their ability to "opt-out" or deny the use of their CPNI by Pioneer's affiliates, Pioneer Long Distance, Inc. and Pioneer Cellular. This notice is sent every 2 years. Once a customer utilizes their option to opt-out, they will receive no further notices.

RULES AND REGULATIONS

VII. CPNI, (Cont'd)

H. Customer Notice, (Cont'd)

Customer notices will also be sent by Pioneer Long Distance, Inc. and Cellular Network Partnership (Pioneer Cellular). **If a customer tells us they want to opt-out, this decision will apply to all entities.**

I. Notice to Customer of Account Changes

MIS will create a program to automatically handle the notification by mail to the address of record of certain account changes. Creation and changes requiring notification include: password, change to back-up authentication, online account, and address of record. Notice will only be given when we are contacted to make a change. The notice will be generic, and no details will be given on the change. MIS will create an audit trail to document the sending of these notices. These notices will be mailed once a week. As far as back-up authentication, if we generate a random password for a PayONline customer, and they call wanting to change it, then we will have to give notice of the change. The types of changes that fall under the "online account" would be a change in e-mail address, a change in bank, or something along that line.

J. Breach of CPNI

Anyone receiving a call from a customer complaining that they believe one of our employees has compromised their personal information, or improperly accessed their information, should immediately take their name and phone number and tell them you will have the appropriate person return their call. You should then refer the complaint to the Department Manager of Human Resources, who will initiate the investigation. **Do not get the particulars of the call, only the name and phone number of customer for the Department Manager of Human Resources to contact.**

K. Notice of Unauthorized Disclosure of CPNI

Following investigation, if it is determined that a breach of CPNI has occurred, the Department Manager of Legal will notify the United States Secret Service, and the Federal Bureau of Investigation for them to investigate. At the appropriate time as determined by law enforcement, the Department Manager of Legal will contact the customer with the findings.

L. New Customers

Each office will have a master of the Customer CPNI Notice, Form 399, to use for copying purposes. The Application Wizard will provide every new customer with a copy of all their paperwork, including the CPNI Notice, and advise of their right to opt-out. If they want to opt-out, this will be chosen on Wizard.

RULES AND REGULATIONS

VII. CPNI, (Cont'd)

M. Authorization For Release to Others

If Pioneer receives a request from a third party (who does not provide communications services) for CPNI, we will have to issue a specific notice asking the customers to notify us if they want to opt-in. In other words, the release of CPNI information to a third party requires a specific "opt-in", or approval, from the customer before their information will be released.

N. Pretexting

If it is determined that a caller is, or may be, pretending to be someone else, in an attempt to get that person's personal information, you should click the "Pretexting Box" in either the LOB screen, Connection screen, or AR-INQ screen in the Flexibill account, which will bring up a box for you to enter the circumstances and reasons you believe a pretexting event has occurred, and click 'save'. If you did not mean to click the "Pretexting Box", click 'cancel', and information will not be saved or logged. Pretexting attempts will be logged and reported by the Legal Manager to the FCC in the annual CPNI report.

O. Viewing Call Detail and Customer Billing Records

The Flexibill system is currently logging when Flexibill is entered by an employee. An additional log is created anytime an employee looks at a customer's call detail by going to the last bill, hot bill, or a billing on the Intranet. Anytime an employee clicks on the last bill, hot bill, or a bill on the Intranet, a pop-up box will appear, and employees must enter the reason they are viewing a customer's call detail. If you did not mean to look at call records, when the pop-up box appears, click cancel and it will not be logged.

P. Sales and Marketing Campaigns

In compliance with Title 47 Section 64.2009, Cooperative has established the following procedures for maintaining a record of the use of CPNI between Cooperative and its affiliates.

An electronic "Promotions" file has been created within the FlexiBill system. This file automatically assigns a promotion number to each entry in the system. It contains a description of the promotion, the company requesting information, all companies whose data will be searched, and whether or not this search, utilized CPNI data. Additional information includes the start and end dates of the promotion, and the identity of the supervisor approving the promotion. A promotion memo area allows for detailed remarks to be added.

A member of the Marketing Department will enter the appropriate information for each promotion. The information contained in the system will be maintained for an extended period of time, which in all instances will be longer than the statutory requirement of one year.

RULES AND REGULATIONS

VII. CPNI, (Cont'd)

Q. Certification & Policy Application

1. Certification

- a. Compliance Officer - Cooperative's Compliance Officer must certify on an annual basis that the FCC's CPNI rules are being followed.

b. FCC Filing

Annually, on or before March 1, the Legal Manager will file the annual CPNI Certification, executed by the Compliance Officer, with the Enforcement Bureau of the FCC. Also, included in this filing, will be a report on any pretexting attempts by data brokers, and a summary of all customer complaints received in the past year concerning the unauthorized release of CPNI.

2. Employee Responsibility

All Cooperative employees need to understand what is or is not CPNI, and when they can or cannot access or use a customer's CPNI for business purposes. The master record in FlexiBill should always be checked before providing information to an affiliated company to be certain the customer has not denied us authority to do so.

No employee has the right to access customer information for any purpose other than Cooperative business. An electronic record is created each time an employee accesses a customer's information in the FlexiBill system. An additional log is created anytime an employee looks at a customer's call detail by going to the last bill, hot bill, or a billing on the Intranet, and employees must enter the reason they are viewing a customer's call detail.

3. Authentication

When dealing with requests for account information or changes, it is each employee's responsibility to ascertain that they are in fact talking with the actual account holder, the spouse, or an authorized user. Spousal denial, and a listing of authorized users, is included for each account in the FlexiBill system.

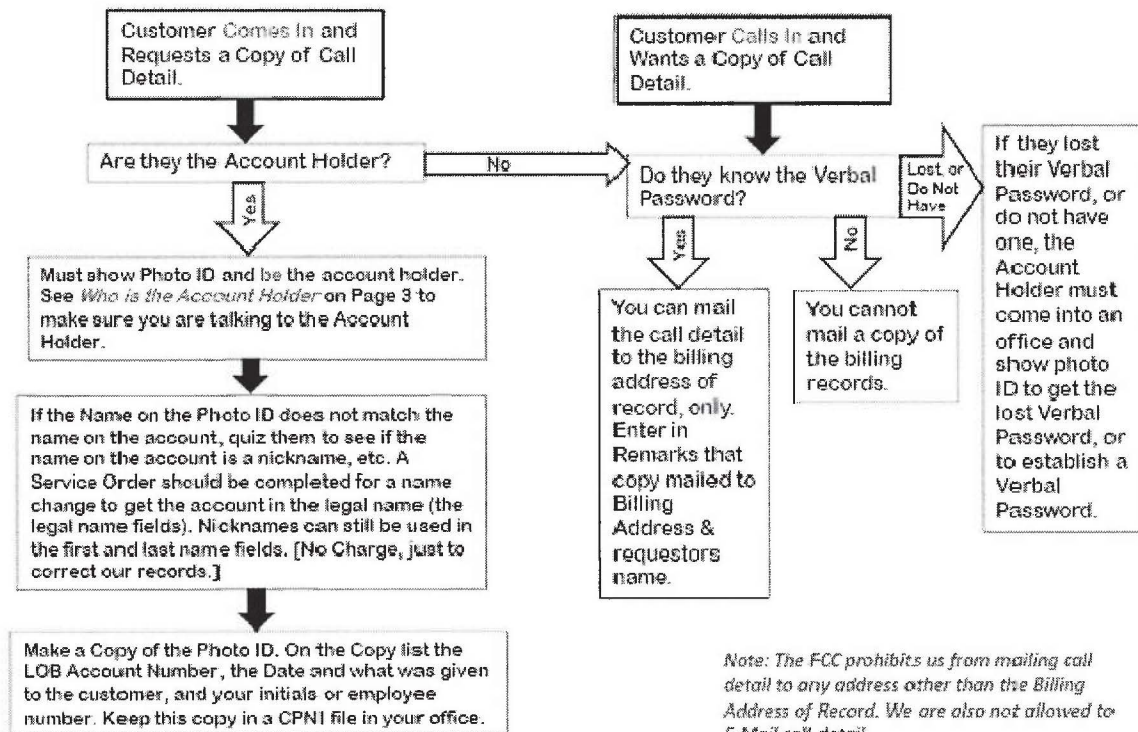
RULES AND REGULATIONS

VII. CPNI, (Cont'd)

R. CPNI Decision Tree

CPNI includes personal information, such as phone numbers called by a customer, the length of the phone calls, and services purchased by the consumer, such as call waiting.

CPNI – Call Detail or Billing Records (includes Hot Bill with Detail)

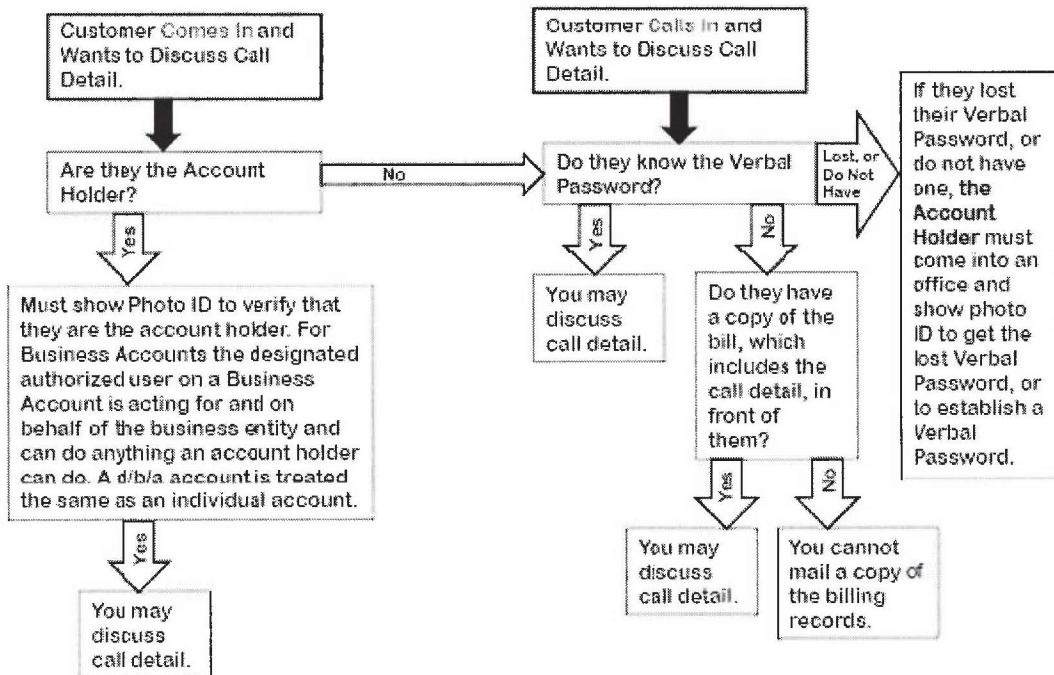


RULES AND REGULATIONS

VII. CPNI, (Cont'd)

R. CPNI Decision Tree, (Cont'd)

CPNI – Discuss Call Detail – No Copies of Call Detail Requested

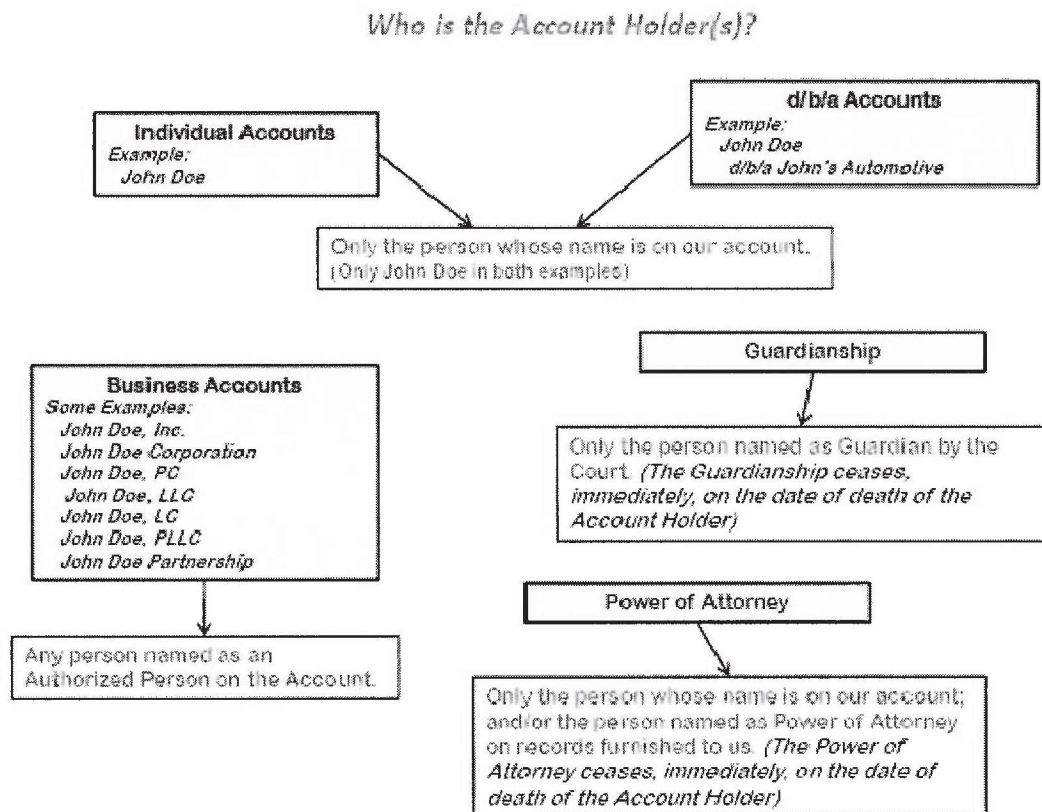


If copies of call detail are requested – See Page 1

RULES AND REGULATIONS

VII. CPNI, (Cont'd)

R. CPNI Decision Tree, (Cont')



VIII. Local Number Portability (LNP)

A. Wireless to Wireline (Porting In)

1. Customer Information

If the customer calls in, or comes in, ask the customer to bring a copy of his current bill from his prior carrier. We need this to get the correct account number and name. Tell the customer not to disconnect his phone, as a disconnected phone can not be ported. The Port Center will take care of disconnection with the prior carrier.

(N)

(N)

I. Organizational Structure

A. EOP Statement

The establishment of the Emergency Operations Plan (EOP) committee serves as an extension of management only in the event the EOP is activated. This committee will have the overall authority to plan, and to implement, in times of an emergency such as fires, floods, bombing, severe storms, etc., that interrupt routine business activity. This committee will be activated whenever EOP has been given full authority by management, at which time notification of appropriate personnel begins. It will also help and coordinate with the District Action Committee, or subcommittees, in the event a disaster has struck in any Pioneer Telephone property(s), in either telephone district or cellular district. This committee holds meetings on a regular basis for continued review of the plan, along with table-top exercises and drills held throughout the year.

B. Primary Committee

The Cooperative's Emergency Operations Plan (EOP) has been developed under a two part strategy. An EOP Primary Committee has been created, consisting of persons with the following job titles:

- Division Manager of Local Techs (Chairman)
- Division Manager of Records (Vice-Chairman)
- Division Manager of Outside Plant
- Division Manager of Cellular
- General Manager
- Legal Department Manager
- Public Relations Specialist
- Accounting Administrator
- Safety Engineer
- Field Engineer

The establishment of this committee is of extreme importance to the successful implementation of the EOP. This committee will have the overall authority to plan, and to implement, the EOP in times of an emergency, such as fires, floods, bombing, severe storms, etc., that interrupt routine business activity. This committee will be activated whenever an emergency strikes one of the Headquarters buildings. It will also help and coordinate with the District Action Committee in the event of a disaster in one of the two appropriate telephone districts, or the cellular district. This committee will hold meetings on a regular basis for continued review of the plan.

C. Sub-Committees

Several sub-committees have been formed to provide input for the EOP for their specific segment of our Cooperative. Following is a list of the sub-committees and a list of the sub-committee leaders and/or members and their job titles.

1. District Action Committee – Northern District

Leader:	Bill Loyall	Dept Manager of Locals North Dist.
Members:	Richard Hedrick	Local Manager
	Bobby Richardson	Dept Mgr of OSP & Vehicle Maint.
	Kerry Fuksa	Customer Service Rep II
	Johnny McAlexander	Local Service Administrator
	Ron Ramey	Outside Plant Administrator
	Sara Jech	Dept Mgr of CSR District #2
	Robert Jones	Local Manager

2. District Action Committee – Southern District

Leader:	Mike McClung	Dept Manager of Locals South Dist.
Members:	Weldon Craig	Outside Plant Administrator
	Shandi Riggins	Customer Service Rep II
	Blake Callahan	Local Service Administrator
	Brian Potts	Transmission Tech
	Bob Reid	Local Service Administrator

3. District Action Committee - Central Offices

Leader:	Scott Ulsaker	Division Mgr of PTC/PLD Inside Plant
Members:	Dale Schoeling	Special Services Administrator
	Ron Wetzel	Dept Mgr of Switching & Transport
	Steven Copeland	Dept Mgr of Network Services
	Mike Sanders	Central Office Administrator
	Steve Perdue	Transmissions Administrator

4. District Action Committee - Engineering

Leader: Bobby Richardson Dept Mgr of OSP & Vehicle Maint.

Members: Chad Hart Outside Plant Administrator
Greg Copeland Special Project Coordinator
J. R. Ools Special Project Coordinator

5. District Action Committee - Warehouses

Leader: Nick Kretchmar Div Mgr of Inventory/Billing/
Regulatory

Members: Tom Uhlenhake Dept Mgr of Warehouse Services
Zach Toepfer Cellular Inventory Admininstrator

6. District Action Committee - PLD

Leader: Donnie Miller Dept Mgr of Broadband Services

Members: Scott Ulsaker Div Mgr of PTC/PLD Inside Plant
Francis Nault Dept Mgr of NOC
Jaime Matthews Broadband Technician

7. Wireless Planning Committee

Leader: Neal Brown Dept Mgr of Wireless Development

Members: Justin Brewster Dept Mgr of Wireless Infrastructure
Brian Coats Wireless Broadband Coordinator
Kevin Bomhoff Cell Staging Center Rep
Jeff Wittrock Lead RF Performance Tech

8. District Action Committee - Cellular

Leader: Tony Provenzano Division Manager of Wireless

Members: Maleia Dungan Wireless Office Administrator
Rodney Washmon Wireless Office Administrator
Tim Littau Cell Site Technician
Heather Lovell Dept Mgr of CSR District #1
Roger McCollum Cell Site Technician
David Clarke Cell Site Technician

D. Damage Assessment Teams

1. Building Damage Assessment Team

Leader:	Ron Jeter	Dept Mgr of Building and Ground Maint.
Members:	Rick Jones	Electrician
	John Reheman	Maintenance Technician
	Bruce Lumpkin	Heat & Air Technician
	Brent Ince	Electrician

2. C.O. Damage Assessment Team

Leader:	Steve Perdue	Transmission Administrator
Members:	Jude Bryant	CO Networking Administrator
	Roger Summars	Network Engineering Tech
	Dale Schoeling	Special Services Administrator
	Mike Sanders	Central Office Administrator

3. Headend Damage Assessment Team

Leader:	Donnie Miller	Dept Mgr of Broadband Services
Members:	Patrick Brawner	Broadband Technician
	Francis Nault	Department Manager NOC
	Jaime Matthews	Broadband Technician

4. Outside Plant Damage Assessment Team

Leader:	Bobby Richardson	Dept Mgr of OSP & Vehicle Maint.
Members:	Chad Hart	Outside Plant Administrator
	Greg Copeland	Special Project Coordinator
	J. R. Ools	Special Project Coordinator

II. Emergency Operations Center ('EOC')

Of primary importance to the successful restoration and return to normal working conditions, after a disaster, will be the establishment of the EOC. Not all damage situations will be of a magnitude to require establishment of an EOC, and implementation of the complete Emergency Operations Plan. An assessment of the extent of damages will have to be done, on a case by case basis. See Assessment of Emergencies in Section 2.

After the initial assessment is completed, the EOP Chairman will meet with Management to determine if the EOC needs to be established. Once the EOC is established, a conference bridge will be utilized for communication:

(405) 375-9911 – Kingfisher (405) 387-8088 – Newcastle

In the event of a disaster at one of the Headquarters buildings, the EOP Primary Committee has determined that Building G will be the EOC. In the event of destruction to Building G, the alternate location will be Building J. For information on the EOC for each of the two telephone districts see Section 9. For information on the EOC for the cellular offices, see Section 10. All personnel responding to an emergency should check in at the EOC for further instructions.

III. Incident Command

Incident Command is a management system designed to enable effective and efficient incident management by integrating a combination of facilities, equipment, personnel, procedures and communications. Every incident, or event, requires that certain management functions be performed. The problem must be identified and assessed, a plan to deal with it developed and implemented, and the necessary resources procured and paid for. Regardless of the size of the incident, these management functions still will apply.

The following are major command functions; the Primary Committee Member assigned to each function; and, a brief description of the duties assigned to that function:

A. Incident Commander - Mike Gore

The Incident Commander ("IC") has overall responsibility for managing the incident. The IC must be fully briefed. He has full authority from Management to be in charge of the EOC. Initially, assigning tactical resources and overseeing operations will be under the direct supervision of the IC.

Personnel assigned by the IC have the authority of their assigned positions, even if it's not the same authority that they normally have.

The IC is able to delegate his authority to others to manage the IC's organization. He will take general direction and receive his delegation of authority from Management.

In addition to having overall responsibility for managing the entire incident, the IC has responsibility for ensuring incident safety, providing information service to internal and external stakeholders, and for establishing and maintaining liaison with other agencies participating in the incident.

One of the first things the IC must do is assess the need for staff. For an incident that is both complex and long term, we will need more staff.

There is a need to establish incident objectives for the organization based on the situation and direction given by Management. The type of plan depends on the magnitude of the incident.

B. Operations Chief – Ken Musick

Operations Chief is responsible for all activities focused on reduction of the immediate hazard, saving lives and property, establishing situational control, and restoration of normal operations.

The Operations Chief ("OC") is responsible to the IC for the direct management of all incident-related operational activities. The OC will establish tactical objectives for each operational period. The OC may have one or more deputies assigned. An OC's responsibilities include organizing, assigning, and supervising all tactical field resources assigned to an incident. The Operations function is where the tactical fieldwork is done; therefore, most incident resources are assigned to the Operations Section.

C. Logistics Chief – Rhonda Chlouber

The Logistics Chief is responsible for all support requirements needed to facilitate effective and efficient incident management, including ordering resources from off-incident locations.

The Logistics Section develops several portions of the written Incident Action Plan, and forwards them to the Planning Section. Logistics and Finance have to work closely to contract for, and purchase, goods and services needed at the incident.

The Logistics Section is responsible for all of the services and support needs, including:

1. Obtaining, maintaining, and accounting for essential personnel, equipment, and supplies.
2. Providing communication planning and resources.
3. Setting up food services.
4. Setting up and maintaining incident facilities.
5. Providing support transportation.
6. Providing medical services to incident personnel.

D. Public Information Officer ('PIO') – Cindy Gore

The PIO is responsible for interfacing with the public, media, and/or with other organizations with incident-related information requirements. The PIO develops accurate and complete information on the incident's cause, size, and current situation; resources committed, and other matters of general interest for both internal and external consumption. The PIO may also perform a key public information-monitoring role.

Some of the responsibilities of the Public Information Officer include:

1. Advising the incident Commander on issues related to information dissemination and media relations.
2. Serving as the primary contact for anyone who wants information about the incident and the response to it.
3. Serving both an external audience through the media, and an internal audience.
4. Coordinating with other public information staff to ensure that confusing or conflicting information is not issued.
5. Obtaining information from the Planning Section, since the Planning Section is gathering intelligence and other information pertinent to the incident.
6. Obtaining information from the community, the media, and others, and providing that information to the Planning Section Chief and the Incident Commander.

E. Safety Officer ('SO') - Mark Huddleston

The SO monitors incident operations and advises the IC on all matters relating to operational safety, including the health and safety of emergency responder personnel. The ultimate responsibility for the safe conduct of incident management operations rests with the IC, and supervisors at all levels of incident management. The SO is, in turn, responsible to the IC for the set of systems and procedures necessary to ensure ongoing assessment of hazardous environments, coordination of multi-location safety efforts, and implementation of measures to promote emergency responder safety, as well as the general safety of incident operations. The SO has emergency authority to stop and/or prevent unsafe acts during incident operations.

The SO, Operations Section Chief, and Planning Section Chief, must coordinate closely regarding operational safety and emergency responder health and safety issues. The SO must also ensure the coordination of safety management functions and issues across divisions.

F. Liaison Officer ('LO') - Steve Liebl

The LO is the point of contact for representatives of governmental agencies, nongovernmental organizations, and/or private entities. Representatives from assisting or cooperating organizations coordinate through the LO. Organizational representatives assigned to an incident must have the authority to speak for their organizations on all matters, following appropriate consultations with their organization's leadership. Assistants and personnel from the other organizations (public or private), involved in incident management activities, may be assigned to the LO to facilitate coordination.

G. Finance/Administration Chief – Mark Huddleston

The Finance/Administration Chief is the one who worries about paying for the response efforts. She is responsible for all of the financial and cost analysis aspects of an incident. These include contract negotiation, tracking personnel and equipment time, documenting and processing claims for accidents and injuries occurring at the incident, and keeping a running tally of the costs associated with the incident.

The Finance/Administration Chief will coordinate with all members of the Command and General Staff; but, works most closely with Logistics to be sure that all resources needed to manage the incident are contracted and procured.

The Finance/Administration Section is set up for any incident that requires incident-specific financial management. The Finance/Administration Section is responsible for:

1. Personnel check-in and check-out of incident.
2. Contract negotiation and monitoring.
3. Timekeeping.
4. Cost Analysis.
5. Compensation for injury or damage to property.

H. Planning Chief - Connie Holthus

Responsibilities of the Planning Chief Include:

1. Gathering and analyzing information.
2. Gathering, analyzing, and disseminating of intelligence and information.
3. Managing the planning process.
4. Preparing and documenting Incident Action Plans.
5. Developing a written Incident Action Plan (usually done for large incidents, and when the Incident Commander has directed).
6. Managing the activities of Technical Specialists.
7. Working closely with the Incident Commander and other members of the General Staff to be sure that information is shared effectively and results in an efficient planning process to meet the needs of the Incident Commander and Operations.
8. Conducting long-range and/or contingency planning.
9. Developing plans for demobilization as the incident winds down.
10. Maintaining incident documentation.

At the simplest level, all Incident Action Plans must have four elements:

1. **What** do we want to do?
2. **Who** is responsible for doing it?
3. **How** do we communicate with each other?
4. **What** is the procedure if someone is injured?

IV. Training/Drills

- A. In order to have an Emergency Operations Plan that is functional at the time of an emergency, it is necessary that all personnel be informed of, and trained in, the proper use of the plan. It is the intent of the Primary Committee that all personnel are aware that an EOP exists; that they are familiar with its contents; and, that those responsible for its successful use are fully trained in its contents.

It is the intent of the Primary Committee that all personnel will receive an initial overview of the plan and, at periodic intervals thereafter. This will include instructions regarding their responsibilities when an emergency situation has been declared by the Primary Committee.

All personnel that would be involved in the implementation of the plan will also receive instruction into the workings of the plan, and their responsibilities contained therein. Certain designated persons will be issued two (2) completed copies of the plan, one to be maintained at their office location, and one to be maintained at their home. Others will have only an office copy, or only a home copy.

When updates or changes are made to the plan, all personnel with copies will receive those updates or changes and be asked to acknowledge receipt of those documents. Critical updates, other than just informational changes, will be so noted in the cover memo, and any required training will be conducted. All new personnel will be advised of the plan and given instructions as to their responsibilities under this plan.

- B. The Primary Committee will have a minimum of one evacuation drill; one storm drill; and, at least one table top exercise, per year. Drills are intended to exercise all aspects of the EOP, and to keep personnel aware of proper procedures associated with the EOP. All employees are required to participate in these drills, and are subject to disciplinary measures for failure to do so. If there are customers in the building,

they should be given the choice of going with you to the meeting place, or returning later, after the drill. The buildings with public access should be locked during the drill. If you are on the phone, excuse yourself, take a call back number, and proceed with the drill instructions. Supervisors should report any problems with the drill to the Safety Engineer.

- C. The emergency broadcast system will be tested on a routine basis.

LINE 900

Pioneer Telephone Cooperative, Inc.
108 E. Robberts Ave.
P.O. Box 539
Kingfisher, OK 73750
405.375.0191
raruhl@ptcoi.com

Richard Ruhl, General Manager



November 18, 2013

The Honorable Stratford Williams
Wichita and Affiliated Tribes
P.O. Box 729
Anadarko, OK 73005-0729

Re: Request for Discussion Concerning Communications Services In Your Area

Dear President Williams:

My name is Richard Ruhl and I am General Manager of Pioneer Telephone Cooperative, Inc. We provide telecommunications services in or near your area.

Recently, I wrote to you about a new rule adopted by the Federal Communications Commission ("FCC" or "Commission") requiring us to work together with the Wichita and Affiliated Tribes to exchange ideas and hopefully improve the quality of service we provide, and better meet your telecommunications needs.

The FCC has provided us with guidelines for topics upon which may be helpful for us to consider together. We would like to discuss these and other topics that may be of interest to you. If we should contact another person or subdivision of the Wichita and Affiliated Tribes' government, please let me know.

Please contact me at the number listed above so that we can setup a convenient time to discuss these topics. We are looking forward to working with you as we deploy services in your area.

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard Ruhl".

Richard Ruhl
General Manager

Pioneer Telephone Cooperative, Inc.
108 E. Robbarts Ave.
P.O. Box 539
Kingfisher, OK 73750
405.375.0191
raruhl@ptcl.com

Richard Ruhl, General Manager



November 18, 2013

The Honorable Ronald Twohatchet
Kiowa Tribe of Oklahoma
P.O. Box 369
Carnegie, OK 73015-0369

Re: Request for Discussion Concerning Communications Services In Your Area

Dear Chairman Twohatchet:

My name is Richard Ruhl and I am General Manager of Pioneer Telephone Cooperative, Inc. We provide telecommunications services in or near your area.

Recently, I wrote to you about a new rule adopted by the Federal Communications Commission ("FCC" or "Commission") requiring us to work together with the Kiowa Tribe of Oklahoma to exchange ideas and hopefully improve the quality of service we provide, and better meet your telecommunications needs.

The FCC has provided us with guidelines for topics upon which may be helpful for us to consider together. We would like to discuss these and other topics that may be of interest to you. If we should contact another person or subdivision of the Kiowa Tribe of Oklahoma's government, please let me know.

Please contact me at the number listed above so that we can setup a convenient time to discuss these topics. We are looking forward to working with you as we deploy services in your area.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Ruhl", written in a cursive style.

Richard Ruhl
General Manager

Pioneer Telephone Cooperative, Inc.
108 E. Roberts Ave.
P.O. Box 539
Kingfisher, OK 73750
405.375.0191
raruhl@ptcoi.com

Richard Ruhl, General Manager



November 18, 2013

The Honorable Jeff Houser
Fort Sill Apache Tribe of Oklahoma
43187 US Highway 281
Apache, OK 73006-8038

Re: Request for Discussion Concerning Communications Services In Your Area

Dear Chairman Houser:

My name is Richard Ruhl and I am General Manager of Pioneer Telephone Cooperative, Inc. We provide telecommunications services in or near your area.

Recently, I wrote to you about a new rule adopted by the Federal Communications Commission ("FCC" or "Commission") requiring us to work together with the Fort Sill Apache Tribe of Oklahoma to exchange ideas and hopefully improve the quality of service we provide, and better meet your telecommunications needs.

The FCC has provided us with guidelines for topics upon which may be helpful for us to consider together. We would like to discuss these and other topics that may be of interest to you. If we should contact another person or subdivision of the Fort Sill Apache Tribe of Oklahoma's government, please let me know.

Please contact me at the number listed above so that we can setup a convenient time to discuss these topics. We are looking forward to working with you as we deploy services in your area.

Sincerely,

A handwritten signature in dark ink, appearing to read "Richard Ruhl", written in a cursive style.

Richard Ruhl
General Manager

Pioneer Telephone Cooperative, Inc.
108 E. Robberts Ave.
P.O. Box 539
Kingfisher, OK 73750
405.375.0191
rruhl@ptci.com

Richard Ruhl, General Manager



November 18, 2013

The Honorable Kerry Holton
Delaware Nation
P.O. Box 825
Anadarko, OK 73005-0825

Re: Request for Discussion Concerning Communications Services In Your Area

Dear President Holton:

My name is Richard Ruhl and I am General Manager of Pioneer Telephone Cooperative, Inc. We provide telecommunications services in or near your area.

Recently, I wrote to you about a rule adopted by the Federal Communications Commission ("FCC" or "Commission") requiring us to work together with the Delaware Nation to exchange ideas and hopefully improve the quality of service we provide, and better meet your telecommunications needs.

The FCC has provided us with guidelines for topics upon which may be helpful for us to consider together. We would like to discuss these and other topics that may be of interest to you. If we should contact another person or subdivision of the Delaware Nation's government, please let me know.

Please contact me at the number listed above so that we can setup a convenient time to discuss these topics. We are looking forward to working with you as we deploy services in your area.

Sincerely,

A handwritten signature in dark ink, appearing to read "Richard Ruhl", written in a cursive style.

Richard Ruhl
General Manager

Pioneer Telephone Cooperative, Inc.
108 E. Roberts Ave.
P.O. Box 539
Kingfisher, OK 73750
405.375.0191
raruhl@ptci.com

Richard Ruhl, General Manager



November 18, 2013

The Honorable Johnny Wauqua
Comanche Nation
P.O. Box 908
Lawton, OK 73502-0908

Re: Request for Discussion Concerning Communications Services In Your Area

Dear Chairman Wauqua:

My name is Richard Ruhl and I am General Manager of Pioneer Telephone Cooperative, Inc. We provide telecommunications services in or near your area.

Recently, I wrote to you about a new rule adopted by the Federal Communications Commission ("FCC" or "Commission") requiring us to work together with the Comanche Nation to exchange ideas and hopefully improve the quality of service we provide, and better meet your telecommunications needs.

The FCC has provided us with guidelines for topics upon which may be helpful for us to consider together. We would like to discuss these and other topics that may be of interest to you. If we should contact another person or subdivision of the Comanche Nation's government, please let me know.

Please contact me at the number listed above so that we can setup a convenient time to discuss these topics. We are looking forward to working with you as we deploy services in your area.

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard Ruhl".

Richard Ruhl
General Manager

Pioneer Telephone Cooperative, Inc.
108 E. Robberts Ave.
P.O. Box 539
Kingfisher, OK 73750
405.375.0191
raruhl@ptcf.com

Richard Ruhl, General Manager



November 18, 2013

The Honorable Bill Anoatubby
Chickasaw Nation
P.O. Box 1548
Ada, OK 74821-1548

Re: Request for Discussion Concerning Communications Services In Your Area

Dear Governor Anoatubby:

My name is Richard Ruhl and I am General Manager of Pioneer Telephone Cooperative, Inc. We provide telecommunications services in or near your area.

Recently, I wrote to you about a new rule adopted by the Federal Communications Commission ("FCC" or "Commission") requiring us to work together with the Chickasaw Nation to exchange ideas and hopefully improve the quality of service we provide, and better meet your telecommunications needs.

The FCC has provided us with guidelines for topics upon which may be helpful for us to consider together. We would like to discuss these and other topics that may be of interest to you. If we should contact another person or subdivision of the Chickasaw Nation's government, please let me know.

Please contact me at the number listed above so that we can setup a convenient time to discuss these topics. We are looking forward to working with you as we deploy services in your area.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Ruhl", written in a cursive style.

Richard Ruhl
General Manager

Pioneer Telephone Cooperative, Inc.
108 E. Roberts Ave.
P.O. Box 539
Kingfisher, OK 73750
405.375.0191
raruhl@ptci.com

Richard Ruhl, General Manager



November 18, 2013

The Honorable Janice Boswell
Cheyenne Arapaho Tribes of Oklahoma
P.O. Box 38
Concho, OK 73022-0038

Re: Request for Discussion Concerning Communications Services In Your Area

Dear Governor Boswell:

My name is Richard Ruhl and I am General Manager of Pioneer Telephone Cooperative, Inc. We provide telecommunications services in or near your area.

Recently, I wrote to you about a new rule adopted by the Federal Communications Commission ("FCC" or "Commission") requiring us to work together with the Cheyenne Arapaho Tribes of Oklahoma to exchange ideas and hopefully improve the quality of service we provide, and better meet your telecommunications needs.

The FCC has provided us with guidelines for topics upon which may be helpful for us to consider together. We would like to discuss these and other topics that may be of interest to you. If we should contact another person or subdivision of the Cheyenne Arapaho Tribes of Oklahoma's government, please let me know.

Please contact me at the number listed above so that we can setup a convenient time to discuss these topics. We are looking forward to working with you as we deploy services in your area.

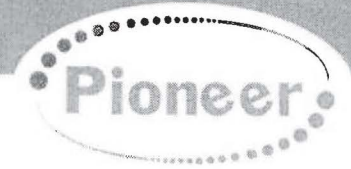
Sincerely,

A handwritten signature in dark ink, appearing to read "Richard Ruhl", written in a cursive style.

Richard Ruhl
General Manager

Pioneer Telephone Cooperative, Inc.
108 E. Robberts Ave.
P.O. Box 539
Kingfisher, OK 73750
405.375.0191
raruhl@ptci.com

Richard Ruhl, General Manager



November 18, 2013

The Honorable Brenda Shemayne Edwards
Caddo Indian Tribe of Oklahoma
P.O. Box 487
Binger, OK 73009-0487

Re: Request for Discussion Concerning Communications Services In Your Area

Dear Chairwoman Shemayne:

My name is Richard Ruhl and I am General Manager of Pioneer Telephone Cooperative, Inc. We provide telecommunications services in or near your area.

Recently, I wrote to you about a new rule adopted by the Federal Communications Commission ("FCC" or "Commission") requiring us to work together with the Caddo Indian Tribe of Oklahoma to exchange ideas and hopefully improve the quality of service we provide, and better meet your telecommunications needs.

The FCC has provided us with guidelines for topics upon which may be helpful for us to consider together. We would like to discuss these and other topics that may be of interest to you. If we should contact another person or subdivision of the Caddo Indian Tribe of Oklahoma's government, please let me know.

Please contact me at the number listed above so that we can setup a convenient time to discuss these topics. We are looking forward to working with you as we deploy services in your area.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Ruhl", written in a cursive style.

Richard Ruhl
General Manager

Pioneer Telephone Cooperative, Inc.
108 E. Roberts Ave.
P.O. Box 539
Kingfisher, OK 73750
405.376.0191
raruhl@ptcl.com

Richard Ruhl, General Manager



November 18, 2013

The Honorable Louis Maynahonah
Apache Tribe of Oklahoma
P.O. Box 1220
Anadarko, OK 73005-1220

Re: Request for Discussion Concerning Communications Services In Your Area

Dear Chairman Maynahonah:

My name is Richard Ruhl and I am General Manager of Pioneer Telephone Cooperative, Inc. We provide telecommunications services in or near your area.

Recently, I wrote to you about a new rule adopted by the Federal Communications Commission ("FCC" or "Commission") requiring us to work together with the Apache Tribe of Oklahoma to exchange ideas and hopefully improve the quality of service we provide, and better meet your telecommunications needs.

The FCC has provided us with guidelines for topics upon which may be helpful for us to consider together. We would like to discuss these and other topics that may be of interest to you. If we should contact another person or subdivision of the Apache Tribe of Oklahoma's government, please let me know.

Please contact me at the number listed above so that we can setup a convenient time to discuss these topics. We are looking forward to working with you as we deploy services in your area.

Sincerely,

A handwritten signature in dark ink, appearing to read "Richard Ruhl", written in a cursive style.

Richard Ruhl
General Manager

LINE 1000

Pioneer Telephone Cooperative, Inc. (SAC 432018)

FCC Form 481

Line 1010-Descriptive Document for Voice Services Rate Comparability

Pioneer Telephone Cooperative Inc. (Study Area Code 432018) has local residential rates plus mandatory charges for local calling such as EAS, WACP, and plus state OUSF fees that are less than the new FCC prescribed rate floor of \$20.46. Therefore, Pioneer's pricing of fixed voice services is not more than the applicable national average urban rate.

SECTION 1 - ESTABLISHMENT OF SERVICE

II. Other Documents Required, (Cont'd)

D. Customer CPNI Notice

Each new customer should be given a copy of Form 399, Customer CPNI Notice. For more information on CPNI see Section 12.

III. Lifeline Program

A. Definition: A telecommunications assistance program designed to make telephone service available, at reduced rates, to eligible residential customers. The amount of discount is based on whether or not they live on Tribal Lands.

1. Tribal (sometimes referred to as "Enhanced") With the exception of the counties listed below, all other counties in the state of Oklahoma are classified as tribal lands.
2. Non-Tribal (sometimes referred to as "regular") The counties in the State of Oklahoma that are not classified as tribal lands are: Beaver, Cimarron, Greer, Harmon, Jackson, and Texas. Customers in the Gould and Hollis exchanges, and the Greer County portion of the Carter exchange would be Non-Tribal.

Lifeline customers are not billed the Federal Universal Service Charge.

B. Eligibility for Lifeline

1. Customers that do not have a Social Security Number or a tribal identification number will not be eligible for Lifeline services.
2. The applicant, or customer, shall complete and sign, under penalty of perjury, an Authorization and Certification provided by Pioneer Telephone. The applicant or customer must show the CSR documentation that proves that the customer, or one of the customer's dependents, receives benefits under the qualifying program the customer checked. Documentation can consist of a notice or letter of participation in a program, program participation documents, or other documentation demonstrating that the customer, or dependents in their household, receive benefits (See Form 555).
3. If the customer is qualifying for Lifeline due to their dependent receiving benefits under one of the qualifying programs, they will also need to bring their dependent's full name, Social Security Number and/or Tribal ID Number, Name of Indian Tribe, and date of birth. They do not have to show us their Social Security Card. All fields on the form must be completed in order to receive the Lifeline credits. The residential service address cannot be a P.O. Box. The forms cannot be accepted if they are not complete.

(N)

(N)

SECTION 1 - ESTABLISHMENT OF SERVICE

III. Lifeline Program, (Cont'd)

B. Eligibility for Lifeline, (Cont'd)

4. It is also required by the FCC that the customer's full name, residential address, date of birth, last four digits of their Social Security Number, and the cellular phone number associated with the Lifeline Program benefits will be entered in a Lifeline Accountability Database with the Government.
5. The discounted service will be provided for one telephone line at the customer's principal place of residence. If a customer is applying for Lifeline service at a residential address that is already receiving Lifeline credits, they must complete Form No. 554 PTC to see if they are eligible for the service. If after completing this Form it is determined that they can receive the Lifeline credits, be sure to attach the completed Form to their Lifeline Application to prove eligibility.

C. Authorization and Certification Form 552 - Tribal

This form is used for all customers who are living on Tribal lands, as described in Title 25, Code of Federal Regulations, Section 20.1, paragraph (v).

<u>OK Tribal Lifeline Credits - Group 1</u>	<u>Monthly Credit</u>
PSOC - 115-008 Federal Lifeline Credit	\$ 9.25
PSOC - 115-007	\$ 1.17
PSOC - 170-000 Additional Federal Credit - Variable necessary to reduce customer's bill to \$1.00 (including WACP and EAS)	\$ Variable

OK Tribal Group 1 Customer pays \$1.00, before taxes.

(In no instance will a customer's monthly Lifeline Plan rate be less than \$1.00, after the application of the Lifeline Credits and before taxes.)

OK Tribal Group 2 Customer receives a credit totaling \$10.42.

<u>OK Tribal Lifeline Credits - Group 2</u>	<u>Monthly Credit</u>
PSOC - 115-008 Federal Lifeline Credit	\$ 9.25
PSOC - 115-007	\$ 1.17

After inserting the appropriate credits, the CSR should note in remarks whether the customer is in Group 1, or Group 2.

(N)

(N)

SECTION 1 - ESTABLISHMENT OF SERVICE

III. Lifeline Program, (Cont'd)

D. Authorization and Certification Form No. 553 PTC - Non Tribal

(N)

Certain counties in the State of Oklahoma are not classified as tribal lands. Those Oklahoma counties are: Beaver, Cimarron, Greer, Harmon, Jackson, Texas, and part of Beckham. Individuals in the Gould, and Hollis exchanges, and the Greer County portion of the Carter exchange, who meet the criteria are eligible for the Lifeline Program for Non-Tribal Land.

<u>Non-Tribal Lifeline Credit:</u>	<u>Monthly Credit</u>
PSOC 115-008 Federal Credit to Residential Access Line	\$ 9.25
PSOC 115-007 State Credit	\$ 1.17

Oklahoma Non-Tribal Customer would receive credit of \$10.42.

(N)

E. Restrictions

1. Lifeline customers cannot be accepted as a guarantor for someone else's account.
2. Lifeline customers are not eligible for Vacation Service.
3. Customers cannot receive lifeline on both a landline and a cellular telephone. They must choose which one they want the credit on.
4. Remember, these discounts should not affect any additional features the customer has, other than Toll Denial.
5. The member must be the one who signs the form, unless they have a Power of Attorney, then the POA can fill out and sign the lifeline form (i.e. Jane Doe, by John Doe, POA). Be sure to keep a copy of the POA, for entry on Alchemy. A POA ceases and is no longer in effect after the death of the person for whom the POA was named.

F. Toll Denial

1. Customers meeting the Lifeline criteria may obtain Toll Denial at no monthly charge. Existing customers will pay the \$15.00 S.O. Charge to add Toll Denial. If they take Toll Denial when service is installed, they cannot be required to post a deposit. If they refuse Toll Denial, we may go ahead and request a deposit.

SECTION 1 - ESTABLISHMENT OF SERVICE

III. Lifeline Program, (Cont'd)

F. Toll Denial, (Cont'd)

2. Lifeline customers may not be disconnected if they pay everything but their toll charges. If this occurs, the Legal Department should be notified so collection of the toll charges can be pursued. Once they refuse to pay toll charges, we may put them on Toll Denial.
3. After each bill cycle, the Billing Department will receive a report of Lifeline customers with Toll Denial who have been removed from the program, but still have an active connection. They will then prepare a service order so the customer will be billed instead of receiving it free.
4. When a Service order has been completed for a nonpay disconnect (whether they are on Lifeline or Enhanced Lifeline), we need to add Toll Denial on the reconnect service order if the customer does not already have it. If they have Toll Denial already, then require them to post a deposit. Put in remarks that TDN was added per Pioneer, so when we see the remarks in the future, we will treat that as being mandatory to leave the Toll Denial on the account.
5. If a Lifeline customer who has Toll Denial gets disconnected for nonpayment due to the use of a calling card, or other method of getting around the Toll Denial, go ahead and require them to post a credit deposit **before** reconnecting them.

G. Disconnects/Moves

1. If a Lifeline or Enhanced Lifeline customer disconnects (a disconnect service order has been done) and then reconnects, or if they move to another exchange, a new Lifeline form will also be needed. When they have moved to your exchange, be sure they are again on tribal land. They may need to sign the regular Lifeline form, or may no longer qualify if the program they are on is allowed for Enhanced only. When a Lifeline customer is disconnected, be sure there is a notation in the connection comments so that the bad debt will show they were a Lifeline customer.
2. If they mail their check to us to reconnect and do not fill out a new Authorization and Certification form, they will be reconnected with the regular rates. If they come in, fill out a new Lifeline form, show documentation that they are eligible, after they have already reconnected, we will date the form the day we receive it, and allow the lifeline credit to be effective that date. (N)
3. If the Lifeline customer moves, but leaves the service in their name for other family members, the Lifeline credits must be removed. (N)

SECTION 1 - ESTABLISHMENT OF SERVICE

III. Lifeline Program, (Cont'd)

H. Annual Recertification

The customer will need to fill out a new form and bring documentation to prove their eligibility for the program they checked.

IV. Lifeline Link Up - (Oklahoma) - Tribal

A. Applicability

1. The Link Up America Service Connection Program is a federally sponsored lifeline assistance program designed to make telephone service accessible to low-income residential households on tribal lands only.
2. Through the program, the service charge for Installation of the Lifeline service, will be discounted \$30.00, one time.

B. Eligibility

Upon receipt of the applicant's Oklahoma Tribal Authorization and Certification form, and showing documentation establishing eligibility for the Lifeline Plan, the customer will automatically be provided the activation charge credit.

C. Tribal Link-Up Installation Fee

PSOC 200-217 Tribal Link Up Credit (Installation Fee) (1 time) \$30.00.

(N)

(N)

LINE 3005

PIONEER TELEPHONE COOPERATIVE, INC.

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT**

Years Ended December 31, 2013 and 2012

PIONEER TELEPHONE COOPERATIVE, INC.

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Independent Auditors' Report

The Board of Trustees
Pioneer Telephone Cooperative, Inc.

We have audited the accompanying financial statements of Pioneer Telephone Cooperative, Inc., which comprise the balance sheets as of December 31, 2013 and 2012, and the related statements of income, comprehensive income, patrons' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

As discussed in Note 1 and Note 3 to the financial statements, the Company reports its investments in its wholly owned subsidiaries on the equity method of accounting. In our opinion, accounting principles generally accepted in the United States of America require that all majority-owned subsidiaries be accounted for as consolidated subsidiaries. If the financial statements of the Company's wholly-owned subsidiaries had been consolidated with those of the Company, total assets, and total liabilities and patrons' equity would be increased by approximately \$56,000,000 and \$60,000,000 as of December 31, 2013 and 2012, respectively, and revenues and expenses would be increased by approximately \$82,000,000 and \$85,000,000 for the years ended December 31, 2013 and 2012, respectively.

Qualified Opinion

In our opinion, except for the effects of not consolidating its wholly-owned subsidiaries, as discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Pioneer Telephone Cooperative, Inc. as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, reading "Santan Fischler". The signature is written in a cursive, flowing style.

Tulsa, Oklahoma
March 24, 2014

PIONEER TELEPHONE COOPERATIVE, INC.

BALANCE SHEETS

<i>December 31,</i>	2013	2012
ASSETS		
Current Assets:		
Cash and cash equivalents:		
General funds	\$ 36,230,967	\$ 28,680,364
Company restricted funds	2,810,059	1,586,952
Investment securities:		
Unrestricted	15,939,171	16,741,039
Company restricted	9,063,989	9,435,255
Accounts receivable:		
Trade, net of allowance for doubtful accounts of \$70,454 in 2013 and \$79,813 in 2012	3,858,532	4,211,696
Unbilled	2,855,150	3,141,349
Accrued interest receivable	743,864	849,153
Materials and supplies	10,047,247	8,422,867
Prepaid expenses	228,947	334,855
Deferred income taxes	1,062,437	1,181,944
Total Current Assets	82,840,363	74,585,474
Property, Plant, and Equipment, at cost:		
In service	308,060,985	305,213,089
Non-regulated	4,294,944	3,482,182
Under construction	2,813,057	1,300,507
Total Property, Plant, and Equipment	315,168,986	309,995,778
Less accumulated depreciation	(230,995,929)	(220,115,338)
Net Property, Plant, and Equipment	84,173,057	89,880,440
Other Assets:		
Goodwill	7,963,534	9,163,534
Noncurrent investment securities:		
Unrestricted	2,105,000	1,510,000
Company restricted	8,240,000	8,488,939
Investment in and receivables from unconsolidated subsidiaries	76,043,647	75,994,819
Other investments	7,629,231	6,733,998
Total Other Assets	101,981,412	101,891,290
Total Assets	\$ 268,994,832	\$ 266,357,204

The accompanying notes are an integral part of the financial statements.

	2013	2012
LIABILITIES AND PATRONS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt	\$ -	\$ 705,128
Accounts payable-trade	3,010,533	3,581,991
Income taxes payable	707,970	1,498,067
Customer deposits	256,093	297,108
Deferred revenue	1,158,696	1,911,563
Obligation for postretirement benefits	2,041,500	1,866,500
Accrued liabilities	<u>5,794,024</u>	<u>6,404,886</u>
 Total Current Liabilities	 12,968,816	 16,265,243
 Obligation for Postretirement Benefits	 15,218,600	 22,280,800
 Deferred Income Taxes	 10,023,363	 8,176,910
 Other Noncurrent Liabilities	 <u>734,748</u>	 <u>996,001</u>
 Total Liabilities	 <u>38,945,527</u>	 <u>47,718,954</u>
 Patrons' Equity:		
Patronage capital	127,864,213	125,966,341
Unappropriated margins	10,333,958	9,543,740
Capital surplus	89,110,672	83,339,465
Accumulated other comprehensive income (loss) - postretirement benefits, net of deferred income tax of \$(1,700,000) in 2013 and \$130,000 in 2012	<u>2,740,462</u>	<u>(211,296)</u>
 Total Patrons' Equity	 <u>230,049,305</u>	 <u>218,638,250</u>
 Total Liabilities and Patrons' Equity	 <u>\$ 268,994,832</u>	 <u>\$ 266,357,204</u>

PIONEER TELEPHONE COOPERATIVE, INC.

STATEMENTS OF INCOME

<i>Years Ended December 31,</i>	2013	2012
Operating Revenue:		
Local network service	\$ 12,048,502	\$ 12,614,547
Network access service	23,104,889	27,042,724
Long distance service	1,628,407	1,547,160
Carrier billing and collection	867,877	878,639
Regulatory	11,805,312	11,976,516
Non-regulated	10,962,875	10,724,515
Other	6,842,408	5,915,637
Total Operating Revenue	67,260,270	70,699,738
Operating Expenses:		
Plant specific operations	13,832,326	16,056,440
Plant nonspecific operations	7,701,013	9,189,064
Customer operations	6,229,668	7,229,926
Corporate operations	5,388,572	5,577,223
Non-regulated	10,139,695	10,972,667
Depreciation and amortization	15,392,048	15,121,663
Operating taxes	1,873,526	2,089,847
Total Operating Expenses	60,556,848	66,236,830
Operating Income	6,703,422	4,462,908
Non-operating Income (Expense):		
Equity in net income of unconsolidated subsidiaries	4,077,487	4,295,017
Investment income	270,648	512,029
Interest expense	(50,468)	(141,395)
Other, net	(394,279)	(129,240)
Total Non-operating Income (Expense)	3,903,388	4,536,411
Income Before Income Taxes	10,606,810	8,999,319
Income Tax Expense	(564,221)	(327,375)
Net Income	\$ 10,042,589	\$ 8,671,944

The accompanying notes are an integral part of the financial statements.

PIONEER TELEPHONE COOPERATIVE, INC.

STATEMENTS OF COMPREHENSIVE INCOME

<i>Years Ended December 31,</i>	2013	2012
Net Income	<u>\$ 10,042,589</u>	<u>\$ 8,671,944</u>
Other Comprehensive Income (Loss), net of deferred income taxes		
Postretirement benefits - change in unrealized gains (losses):		
Net actuarial gain, net of taxes of \$3,418,000 in 2013 and \$(5,374,000) in 2012	5,576,466	(8,768,598)
Prior service cost, net of taxes of \$(35,000) in 2013 and \$(35,000) in 2012	(56,296)	(56,358)
Effects of plan amendment, net of taxes of \$(1,574,000) in 2013 and \$14,845,000 in 2012	<u>(2,568,412)</u>	<u>24,220,362</u>
Total Other Comprehensive Income	<u>2,951,758</u>	<u>15,395,406</u>
Comprehensive Income	<u><u>\$ 12,994,347</u></u>	<u><u>\$ 24,067,350</u></u>

PIONEER TELEPHONE COOPERATIVE. INC.

STATEMENTS OF PATRONS' EQUITY

Years Ended December 31, 2013 and 2012

	Patronage Capital	Unappropriated Margins	Capital Surplus	Accumulated Other Comprehensive Loss	Total Patrons' Equity
Balance, January 1, 2012	\$ 126,675,204	\$ 19,131,026	\$ 66,026,237	\$ (15,606,702)	\$ 196,225,765
Net income	-	8,671,944	-	-	8,671,944
Other comprehensive loss	-	-	-	15,395,406	15,395,406
Margins assigned to patrons	1,228,620	(1,228,620)	-	-	-
Margins transferred	(282,618)	(17,030,610)	17,313,228	-	-
Capital credits	<u>(1,654,865)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,654,865)</u>
Balance, December 31, 2012	125,966,341	9,543,740	83,339,465	(211,296)	218,638,250
Net income	-	10,042,589	-	-	10,042,589
Other comprehensive income	-	-	-	2,951,758	2,951,758
Margins assigned to patrons	3,747,414	(3,747,414)	-	-	-
Margins transferred	(266,250)	(5,504,957)	5,771,207	-	-
Capital credits	<u>(1,583,292)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,583,292)</u>
Balance, December 31, 2013	<u>\$ 127,864,213</u>	<u>\$ 10,333,958</u>	<u>\$ 89,110,672</u>	<u>\$ 2,740,462</u>	<u>\$ 230,049,305</u>

The accompanying notes are an integral part of the financial statements.

PIONEER TELEPHONE COOPERATIVE, INC.

STATEMENTS OF CASH FLOWS

<i>Years Ended December 31,</i>	2013	2012
Cash Flows From Operating Activities:		
Net income	\$ 10,042,589	\$ 8,671,944
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	15,392,048	15,121,663
Deferred income taxes	156,818	(174,469)
Equity in net income of unconsolidated subsidiaries	(4,077,487)	(4,295,017)
Equity in net income of RSA #3	(310,141)	(336,188)
Stock patronage received	(4,460)	(23,157)
Impairment and amortization of goodwill	1,200,000	1,150,000
Other changes in assets and liabilities:		
Accounts receivable	666,035	(841,566)
Materials and supplies	(1,624,380)	(1,690,597)
Prepaid expenses	105,908	41,742
Other assets	(320,172)	753,049
Accounts payable-trade	(571,458)	(1,259,654)
Income taxes payable	1,791,560	95,646
Customer deposits	(41,015)	12,189
Accrued liabilities, deferred revenue, and other liabilities	(1,624,982)	(1,227,514)
Obligation for postretirement benefits	(2,126,300)	2,586,700
Net Cash Provided by Operating Activities	18,654,563	18,584,771
Cash Flows From Investing Activities:		
Capital expenditures	(9,536,991)	(10,046,148)
Purchases of investment securities	(1,381,168)	(2,875,946)
Proceeds from sales, maturities, and redemptions of investment securities and other investments	1,637,640	18,483,320
Changes in accounts receivable from unconsolidated subsidiaries, net	1,307,040	2,590,352
Return of capital from RSA #3	302,429	302,262
Net Cash Provided by (Used in) Investing Activities	(7,671,050)	8,453,840

The accompanying notes are an integral part of the financial statements.

	2013	2012
Cash Flows From Financing Activities:		
Repayments of long-term debt	\$ (705,128)	\$ (2,115,385)
Capital credits paid	<u>(1,504,675)</u>	<u>(1,591,078)</u>
Net Cash Used in Financing Activities	<u>(2,209,803)</u>	<u>(3,706,463)</u>
Net Increase in Cash and Cash Equivalents	8,773,710	23,332,148
Cash and Cash Equivalents, beginning of year	<u>30,267,316</u>	<u>6,935,168</u>
Cash and Cash Equivalents, end of year	<u><u>\$ 39,041,026</u></u>	<u><u>\$ 30,267,316</u></u>
COMPOSITION OF CASH AND CASH EQUIVALENTS:		
General funds	\$ 36,230,967	\$ 28,680,364
Company restricted funds	<u>2,810,059</u>	<u>1,586,952</u>
	<u><u>\$ 39,041,026</u></u>	<u><u>\$ 30,267,316</u></u>
SUMMARY OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Change in obligation for postretirement benefits through direct charge to equity, net of deferred income taxes	\$ 2,951,758	\$ 15,395,406
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest	\$ 50,903	\$ 156,553
Income taxes paid (received) - net	(1,384,157)	420,000

PIONEER TELEPHONE COOPERATIVE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 and 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: Pioneer Telephone Cooperative, Inc. ("Pioneer") is an independent local exchange carrier, providing communication services to customers throughout the state of Oklahoma. Additionally, through its wholly-owned subsidiaries, Pioneer provides long distance, internet, cellular telephone and fiber-optic based facilities services. Pioneer carries its investments in its wholly-owned subsidiaries O.T.&T. Communications, Inc. ("OT&T") and Pioneer Long Distance, Inc. ("PLD") at cost, adjusted for their equity in undistributed earnings or losses. U.S. generally accepted accounting principles require that Pioneer's wholly-owned subsidiaries be consolidated (See Note 3).

Pioneer is organized as a cooperative and the members of the cooperative are the owners of Pioneer. Those individuals requesting to receive local telephone service in any of the Pioneer telephone exchanges are provided a capital account with Pioneer. On an annual basis, Pioneer allocates its net income, as defined, to each individual member's capital account on a pro-rata basis in proportion to their telephone usage. Upon approval of the Board of Trustees, a portion of capital accounts are refunded to the members on a yearly basis, if the financial condition of Pioneer permits. Pioneer receives a federal and state income tax deduction for all amounts that are allocated to members.

Pioneer maintains its accounts in accordance with Part 32 of the Uniform System of Accounts prescribed by the Federal Communications Commission ("FCC") and adopted by the Oklahoma Corporation Commission. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States, which are consistent in all material respects with the accounting prescribed by the FCC.

Cash and Cash Equivalents: For purposes of financial reporting, Pioneer considers cash in operating accounts, both unrestricted and restricted, to be cash and cash equivalents.

Bank accounts held in financial institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 for each financial institution. At December 31, 2013, Pioneer held cash balances in excess of the FDIC limit of approximately \$38,700,000.

Company restricted cash and cash equivalents consists of amounts that Pioneer has restricted for use in funding health insurance, long-term disability and postretirement benefit obligations. Although Pioneer has no intent to do so, it has the ability to eliminate the restriction on the use of these funds at any time.

Included in cash and cash equivalents is approximately \$75,000 at December 31, 2013 and \$94,000 at December 31, 2012, of revolving loan funds from the USDA Economic Development Program.

Investment Securities: Investment securities that are held for short-term resale are classified as trading securities and carried at fair value.

PIONEER TELEPHONE COOPERATIVE, INC.
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Debt securities that management has the ability and intent to hold to maturity are classified as held-to-maturity and carried at cost, adjusted for amortization of premium and accretion of discounts using methods approximating the interest method. Other marketable securities are classified as available-for-sale and are carried at fair value.

Realized and unrealized gains and losses on trading securities are included in net income. Unrealized gains and losses on securities available-for-sale are recognized as direct increases or decreases in patrons' equity. Cost of securities sold is recognized using the specific identification method.

Company restricted investments consist of amounts that Pioneer has restricted for use in funding health insurance, long-term disability and postretirement benefit obligations. Although Pioneer has no intent to do so, it has the ability to eliminate the restriction on the use of these funds at any time.

Accounts Receivable: Accounts receivable-trade include Pioneer's receivables for service provided to customers. Accounts receivable-trade also includes amounts due from long distance carriers and access service pools. Accounts receivable are uncollateralized (however certain customers are required to have a deposit). Accounts receivable are stated at the amount billed. The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected, which is based on historical losses.

Included in accounts receivable are notes receivable from borrowers in the amount of \$135,327 at December 31, 2013 and \$114,832 at December 31, 2012, which were originally funded by grants from the USDA Economic Development Program.

Materials and Supplies: Pioneer values its materials and supplies inventory, consisting of materials used for replacement and extension of property, plant, and equipment and certain amounts of non-regulated supplies held for resale, at the lower of average cost or market.

Property, Plant and Equipment: Depreciation is provided using the straight-line method over the estimated useful lives of the related assets. Depreciation expense on property, plant and equipment approximated \$15,392,000 in 2013 and \$15,122,000 in 2012. Repairs and maintenance are expensed as incurred, whereas major improvements are capitalized.

Pioneer follows the policy of capitalizing interest as a component of the cost of property, plant, and equipment constructed for its own use. Interest costs of approximately \$10,000 and \$36,000 were capitalized in 2013 and 2012, respectively.

Goodwill: The excess of the fair value over the cost of assets acquired is allocated to goodwill. Goodwill in the amount of \$22,443,241 was recorded as a result of the acquisition of several telephone exchanges in 1994. Prior to January 1, 2002, the goodwill was amortized using the straight-line method over 20 years.

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Effective January 1, 2002, in accordance with professional standards, amortization of the existing goodwill ceased. Goodwill was then subject to fair-value based impairment tests, which the Company performed on an annual basis.

Beginning in 2013, Pioneer adopted an amendment to the provisions of Accounting Standards Codification ("ASC") Topic 350, *Intangibles – Goodwill and Other*, whereby entities are allowed to adopt an accounting alternative for the measurement of goodwill, and are allowed to amortize goodwill on a straight-line basis over 10 years, or less than 10 years if the entity demonstrates that another useful life is more appropriate. Under ASC Topic 350, goodwill should be tested for impairment when a triggering event occurs that indicates that the fair value of the reporting unit associated with the goodwill is below its carrying value.

As a result of adopting the amendment to ASC Topic 350, Pioneer began amortizing its goodwill in 2013 on a straight-line basis over approximately 8 years.

Amortization expense on goodwill was \$1,200,000 in 2013. Pioneer determined that impairment of \$1,150,000 in 2012 occurred. Amortization expense and impairment loss is included in other non-operating expense in the accompanying statements of income.

Other Investments: Other investments consist of non-marketable equity investments in various entities. These investments are carried at cost, and distributions received from these investments are recorded as income in the period in which they are received. Interest and dividends from these investments totaled \$82,900 in 2013 and \$131,200 in 2012 and are included in investment income in the accompanying statements of income.

Advertising Costs: Pioneer records advertising costs as incurred. Advertising costs totaled approximately \$129,000 and \$72,000 during 2013 and 2012, respectively.

Fair Value Measurement: ASC Topic 820, *Fair Value Measurements and Disclosures*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability ("exit price") in an orderly transaction between market participants at the measurement date. ASC Topic 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. The hierarchy is broken down into three levels based on the reliability of inputs as follows: Level 1 based on quoted prices in active markets for identical assets or liabilities, Level 2 based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, or inputs other than quoted prices that are observable for the asset or liability, and Level 3 based on inputs that are unobservable and significant to the overall fair value measurement.

Income Taxes: Deferred income taxes are provided to reflect the future tax consequences of differences between the tax basis of assets and liabilities and their reported amounts in the financial statements. Deferred income tax assets and liabilities are reflected at currently enacted income tax rates applicable to the period in which the deferred tax assets or liabilities are expected to be realized or settled.

PIONEER TELEPHONE COOPERATIVE, INC.
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As changes in tax laws or rates are enacted, deferred income tax assets and liabilities are adjusted through income tax expense.

Pioneer has adopted the provisions of ASC Topic 740, *Income Taxes*, relating to unrecognized tax benefits. This standard addresses the financial statement recognition, measurement and disclosure of uncertain tax positions, and requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. If the tax position meets the more-likely-than-not recognition threshold, the tax effect is recognized at the largest amount of the benefit that is greater than 50% likely of being realized upon ultimate settlement. Any difference between the tax position taken in the tax return and the tax position recognized in the financial statements using the criteria above results in the recognition of a liability in the financial statements for the unrecognized benefit. Similarly, if a tax position fails to meet the more-likely-than-not recognition threshold, the benefit taken in the tax return will also result in the recognition of a liability in the financial statements for the full amount of the unrecognized benefit.

Pioneer believes it has no such uncertain tax positions and as such, there were no liabilities recorded for uncertain tax positions in the accompanying financial statements as of December 31, 2013 and 2012.

Pioneer is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in process. Management believes it is no longer subject to income tax examinations for years prior to 2010.

Revenue Recognition: Pioneer records revenues over the periods in which they are earned. The cost of providing service is recognized as incurred. Network access service, long distance service, and carrier billing and collection revenues are billed in arrears. Pioneer has accrued estimated unbilled revenues for services provided through December 31, 2013 and 2012, of approximately \$2,855,000 and \$3,141,000, respectively, which is included in accounts receivable-unbilled revenues in the accompanying balance sheet. Local network service revenue is billed in advance. Revenues billed prior to December 31 and related to periods subsequent to December 31 are reflected as deferred revenue in the accompanying financial statements.

Approximately \$11,800,000 or 18% of operating revenues in 2013 and approximately \$12,000,000 or 17% of operating revenues in 2012, derive from regulatory sources, including reimbursements from the Federal Universal Service Fund ("USF"), the Oklahoma Universal Service Fund ("OUSF") and the Oklahoma High Cost Fund ("OHCF"). Such amounts are included in regulatory revenue in the accompanying statements of income.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

PIONEER TELEPHONE COOPERATIVE, INC.
NOTES TO FINANCIAL STATEMENTS
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Reclassifications: Certain reclassifications have been made in the 2012 financial statements to conform to the classifications used in 2013. The reclassifications relate to the classification of investment securities and accrued liabilities and have no effect on net income.

Subsequent Events: Subsequent events have been evaluated through March 24, 2014, which is the date the financial statements were available to be issued.

2. INVESTMENT SECURITIES

Investment securities consist of the following:

	<u>2013</u>	<u>2012</u>
Unrestricted:		
Money market funds	\$ 1,416,171	\$ 1,063,039
Held-to-maturity investment securities	<u>16,628,000</u>	<u>17,188,000</u>
	<u>\$18,044,171</u>	<u>\$18,251,039</u>
Company Restricted:		
Money market funds	2,027,988	2,526,545
Held-to-maturity investment securities	<u>15,276,001</u>	<u>15,397,649</u>
	<u>17,303,989</u>	<u>17,924,194</u>
Total investment securities	<u>\$35,348,160</u>	<u>\$36,175,233</u>

The amortized cost and fair value of investment securities considered held-to-maturity at December 31, 2013 were:

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Municipal securities	\$20,275,000	\$ 499,227	\$ -	\$20,774,227
Certificates of deposit	<u>11,629,000</u>	<u>-</u>	<u>-</u>	<u>11,629,000</u>
	<u>\$31,904,000</u>	<u>\$ 499,227</u>	<u>\$ -</u>	<u>\$32,403,227</u>

PIONEER TELEPHONE COOPERATIVE, INC.
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The amortized cost and fair value of investment securities considered held-to-maturity at December 31, 2013 were:

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Municipal securities	\$20,711,649	\$ 629,638	\$ -	\$21,341,287
Certificates of deposit	<u>11,874,000</u>	<u>-</u>	<u>-</u>	<u>11,874,000</u>
	<u>\$32,585,649</u>	<u>\$ 629,638</u>	<u>\$ -</u>	<u>\$33,215,287</u>

The amortized cost and fair values of held-to-maturity investment securities at December 31, 2013 by contractual maturity are shown below.

	<u>Amortized Cost</u>	<u>Fair Value</u>
Due in one year or less	\$21,559,000	\$21,677,895
Due after one year through five years	10,005,000	10,376,291
Due after five years	<u>340,000</u>	<u>349,041</u>
	<u>\$31,904,000</u>	<u>\$32,403,227</u>

Investment income in the statements of income consists of the following:

	<u>2013</u>	<u>2012</u>
Interest on investment securities	\$187,773	\$380,830
Dividends on non-marketable investments	<u>82,875</u>	<u>131,199</u>
	<u>\$270,648</u>	<u>\$512,029</u>

3. INVESTMENT IN AND RECEIVABLES FROM UNCONSOLIDATED SUBSIDIARIES

As discussed in Note 1, Pioneer's wholly-owned unconsolidated subsidiaries, PLD and OT&T, are being accounted for using the equity method of accounting. The following summary financial information for each unconsolidated subsidiary is presented to identify the balance sheet and income statement amounts that would be consolidated if Pioneer were to consolidate its wholly-owned subsidiaries in accordance with U.S. generally accepted accounting principles.

Pioneer Long Distance, Inc. ("PLD")

Pioneer Long Distance, Inc. provides long distance services, internet services, access to fiber optic lines through circuit leases, and video services.

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Effective, January 1, 2014, PLD transferred its internet and video operations to Pioneer. Assets associated with these operations remained with PLD and are being leased by PLD to Pioneer.

	<u>2013</u>	<u>2012</u>
Current assets	\$24,593,468	\$17,328,476
Property, plant, and equipment, net	<u>6,089,348</u>	<u>7,939,337</u>
Total assets	<u>\$30,682,816</u>	<u>\$25,267,813</u>
Current liabilities	\$ 3,689,097	\$ 1,754,405
Other liabilities	2,078,170	4,159,983
Stockholder's equity	<u>24,915,549</u>	<u>19,353,425</u>
Total liabilities and stockholder's equity	<u>\$30,682,816</u>	<u>\$25,267,813</u>
Operating revenues	\$35,234,870	\$33,160,902
Operating expenses	(26,275,082)	(27,344,150)
Interest income (expense)-net	28,545	3,357
Income tax expense	<u>(3,426,209)</u>	<u>(2,208,430)</u>
Net income	<u>\$ 5,562,124</u>	<u>\$ 3,611,679</u>

O.T.&T. Communications, Inc. ("OT&T")

OT&T Communications, through its majority-owned subsidiary, Cellular Network Partnership ("CNP"), owns and operates a cellular system that covers portions of western and central Oklahoma and southern Kansas, providing cellular service to its customers as well as the customers of other cellular service providers through roaming agreements.

	<u>2013</u>	<u>2012</u>
Current assets	\$ 52,571,031	\$ 54,748,548
Property, plant, and equipment, net	49,794,827	52,953,735
Acquired customer base	3,704,738	7,137,721
Other Investments	<u>319,750</u>	<u>248,965</u>
Total assets	<u>\$106,390,346</u>	<u>\$115,088,969</u>
Current liabilities	\$ 10,054,187	\$ 13,420,247
Long-term debt	2,857,142	5,714,285
Other liabilities	3,294,084	2,355,557
Equity-noncontrolling interests	36,156,013	38,085,323
Equity-OT&T	<u>54,028,920</u>	<u>55,513,557</u>
Total liabilities and equity	<u>\$106,390,346</u>	<u>\$115,088,969</u>

PIONEER TELEPHONE COOPERATIVE, INC.
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Operating revenues	\$ 72,879,892	\$ 75,204,598
Operating expenses	(75,265,431)	(72,825,358)
Interest and dividend income	150,563	220,776
Interest expense	(127,428)	(189,372)
Loss on disposal of assets	(1,063,351)	(74,444)
Impairment of acquired customer base	(900,842)	(587,644)
Net (income) loss attributable to noncontrolling interests	1,929,310	(644,004)
Income tax (expense) benefit	<u>912,650</u>	<u>(421,214)</u>
Net income (loss) attributable to OT&T	<u>\$ (1,484,637)</u>	<u>\$ 683,338</u>

Oklahoma RSA 3

Pioneer has a 1% interest in Oklahoma RSA 3 ("RSA 3"), which provides cellular mobile telephone services within the Oklahoma Rural Service Area 3. Pioneer's investment in RSA 3 is being accounted for under the equity method of accounting in which the investment is reported at cost, adjusted for equity in undistributed earnings (losses) since inception. Pioneer's equity in the earnings of RSA 3 amounted to approximately \$310,000 in 2013 and \$336,000 in 2012 and is included in other non-operating income in the accompanying statements of income.

The following is an analysis of Pioneer's investments in and receivables from unconsolidated subsidiaries, included in the accompanying balance sheets at December 31:

	<u>2013</u>	<u>2012</u>
PLD:		
Investment	\$24,915,549	\$19,353,425
Accounts payable	(2,477,938)	(1,323,830)
OT&T:		
Investment	54,028,920	55,513,557
Accounts payable	(651,490)	2,230,772
RSA 3		
Investment and other	<u>228,606</u>	<u>220,895</u>
	<u>\$76,043,647</u>	<u>\$75,994,819</u>

PIONEER TELEPHONE COOPERATIVE, INC.
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4. PROPERTY, PLANT, AND EQUIPMENT

Following are the major classes of property, plant, and equipment included in the accompanying balance sheets as of December 31:

	<u>2013</u>	<u>2012</u>
Land	\$ 2,249,714	\$ 2,178,055
Buildings and towers	35,034,647	34,912,549
Central office equipment	97,658,599	98,854,488
Poles, cables, and wires	145,111,957	141,902,056
Furniture and office equipment	12,653,489	12,715,802
Vehicles and other work equipment	15,352,580	14,650,139
Non-regulated property and equipment	4,294,943	3,482,182
Under construction	<u>2,813,057</u>	<u>1,300,507</u>
	<u>\$315,168,986</u>	<u>\$309,995,778</u>

5. OTHER INVESTMENTS

Other investments consist of the following as of December 31:

	<u>2013</u>	<u>2012</u>
Cash surrender value of life insurance	\$2,752,743	\$2,414,984
Capital certificates with bank	2,635,765	3,210,705
Investments to fund deferred compensation agreements (See Note 7)	281,723	299,309
Other	<u>1,959,000</u>	<u>809,000</u>
	<u>\$7,629,231</u>	<u>\$6,733,998</u>

As a condition to loan agreements with the bank (See Note 6), Pioneer has purchased capital certificates and received stock dividends based upon amounts of borrowings and amounts of interest payments.

6. LONG-TERM DEBT

Pioneer's long-term debt as of December 31 consisted of the following:

	<u>2013</u>	<u>2012</u>
Notes payable to bank	\$ -	\$705,128
Less current maturities	<u>-</u>	<u>705,128</u>
Total long-term debt	<u>\$ -</u>	<u>\$ -</u>

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In November 1996, Pioneer entered into a debt agreement with a bank. The debt agreement consists of two separate facilities, described as follows:

Facility A was a term loan agreement consisting of amounts that beared interest at 4.54% and had no outstanding balances as of December 31, 2013 and 2012, respectively.

Facility B was a \$27,500,000 line of credit agreement that bears interest at 7.27%. At December 31, 2013 and 2012, the outstanding balance on Facility B was \$0 and \$705,128, respectively.

7. DEFERRED COMPENSATION

Pioneer has entered into deferred compensation agreements with certain of its officers that provide for payments upon their retirement. The obligations under these agreements have been accrued. The amount accrued at December 31, 2013 and 2012, related to these deferred compensation agreements was approximately \$699,000 and \$932,000, respectively, and is included as a component of other noncurrent liabilities in the accompanying balance sheets. During 2012, certain deferred compensation agreements were paid in full, using the funds set aside for that purpose.

Pioneer has funded these deferred compensation obligations, in part, with certain investments, which total approximately \$282,000 at December 31, 2013 and \$299,000 at December 31, 2012. These funds are included in other investments in the accompanying balance sheets (See Note 5).

8. HEALTH INSURANCE AND LONG-TERM DISABILITY RESERVES

Pioneer has recorded liabilities related to self-insured health insurance benefits and long-term disability benefits (which are expected to be provided to employees in the future). The liability balances at December 31 are as follows:

	<u>2013</u>	<u>2012</u>
Health insurance benefits	\$2,005,134	\$1,953,006
Long-term disability benefits	<u>35,555</u>	<u>63,803</u>
	<u>\$2,040,689</u>	<u>\$2,016,809</u>

The liability for self-insured health insurance benefits is included in accrued liabilities in the accompanying balance sheets, and the liability for long-term disability benefits has been included in other noncurrent liabilities in the accompanying balance sheets.

Pioneer has restricted cash balances of approximately \$2,713,000 and \$1,489,000 and restricted investment securities of approximately \$4,924,000 and \$4,839,000 at December 31, 2013 and 2012, respectively, to satisfy future obligations related to the liabilities discussed above.

PIONEER TELEPHONE COOPERATIVE, INC.
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9. OBLIGATION FOR POSTRETIREMENT BENEFITS

Pioneer sponsors a defined benefit postretirement plan consisting of health insurance benefits for its employees and directors after retirement.

ASC Topic 715, "Compensation-Retirement Benefits" requires that the funded status of defined benefit postretirement plans be fully recognized in the balance sheet.

Effective January 1, 2013, Pioneer adopted a plan amendment to its defined benefit postretirement plan, which requires eligible employees and retirees to share in the premium costs of the Plan. The amendment resulted in a decrease in the Company's obligation for postretirement benefits of approximately \$39,000,000 at December 31, 2012, which is included in the accompanying 2012 balance sheet.

At December 31, 2013 and 2012, the funded status of the Plan and the amounts recognized in the balance sheet for the obligation for postretirement benefits are as follows:

	<u>2013</u>	<u>2012</u>
Accumulated postretirement benefit obligation ("APBO")	\$46,115,300	\$49,672,100
Fair value of plan assets	<u>(28,855,200)</u>	<u>(25,524,800)</u>
Excess of APBO over fair value of plan assets- Accrued obligation for postretirement benefits	<u>\$17,260,100</u>	<u>\$24,147,300</u>
Accrued obligation for postretirement benefits- current	\$ 2,041,500	\$ 1,866,500
Accrued obligation for postretirement benefits- noncurrent	<u>15,218,600</u>	<u>22,280,800</u>
	<u>\$17,260,100</u>	<u>\$24,147,300</u>

Following are the components of net periodic postretirement benefit cost for 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Service cost	\$1,378,800	\$2,420,400
Interest cost	1,978,800	3,013,000
Expected return on plan assets	(1,403,900)	(1,233,200)

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Amortization of amounts related to 2013 plan amendment	(4,142,600)	-
Amortization of prior service cost	(90,800)	(90,800)
Amortization of actuarial loss	<u>2,710,300</u>	<u>1,371,700</u>
	<u>\$ 430,600</u>	<u>\$5,481,100</u>

The following amounts relate to Pioneer's defined benefit postretirement plan:

	<u>2013</u>	<u>2012</u>
Discount rate on the benefit obligation	<u>4.72%</u>	<u>4.06%</u>
Expected long-term rate of return on plan assets, based on historical results adjusted for anticipated market movement	<u>5.50%</u>	<u>5.50%</u>
Company contributions	<u>\$2,556,900</u>	<u>\$2,894,500</u>
Participant contributions	<u>\$ 175,200</u>	<u>\$ 74,400</u>
Benefits paid for year	<u>\$1,918,900</u>	<u>\$1,336,700</u>

For measurement purposes, a 7.5% increase in the cost of health care benefits was assumed for 2014. The rate was assumed to decrease to 5% by 2019 and then remain at that level.

As of December 31, 2013 and 2012, the following items included in accumulated other comprehensive loss had not yet been recognized as components of postretirement benefit cost.

	<u>2013</u>	<u>2012</u>
Actuarial loss	\$ 31,233,600	\$40,227,900
2013 Plan amendment	(34,922,500)	(39,065,100)
Prior service cost	<u>(731,200)</u>	<u>(822,000)</u>
	<u>\$ (4,420,100)</u>	<u>\$ 340,800</u>

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The following amounts are expected to be recognized as components of pension cost in 2014:

Amortization of actuarial loss	\$ 2,191,100
Amortization of prior service cost	(90,800)
Amortization of 2013 plan amendment	(4,142,600)
Service cost	1,136,500
Interest cost	2,128,500
Expected return on plan assets	<u>(1,587,000)</u>
	<u>\$ (364,300)</u>

Pioneer's postretirement plan asset allocations at December 31, 2013 and 2012 by asset category are as follows:

<u>Asset Category</u>	<u>2013</u>	<u>2012</u>
Debt securities	69%	69%
Equity securities	30%	30%
Other	<u>1%</u>	<u>1%</u>
	<u>100%</u>	<u>100%</u>

Pioneer's overall strategy is to invest primarily in U.S. Government securities, municipal bonds, and equity securities.

Contributions expected to be paid to the Plan during 2014 are \$2,556,900. Benefits under the Plan are expected to be paid as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2014	\$ 2,041,500
2015	2,130,900
2016	2,168,000
2017	2,221,600
2018	2,324,300
2019-2023	13,870,800

In addition to the plan assets, Pioneer has company restricted cash and investment securities of approximately \$12,478,000 at December 31, 2013 and \$13,182,000 at December 31, 2012, to satisfy future postretirement obligations.

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In December 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 was enacted. Among other features, the Act introduces a prescription drug benefit under Medicare Part D and a federal subsidy to sponsors of retiree health care plans that provide a benefit that is at least actuarially equivalent to Medicare Part D.

Pioneer qualifies for and has applied to receive a retiree drug subsidy from the Center for Medicaid and Medicare Services ("CMS"). The Plan limits Pioneer's contributions to no more than a 5% annual increase in Pioneer's per-capita costs and passes costs in excess of this limit along to retirees.

Since Pioneer's annual cost increase is capped, retiree drug subsidy ("RDS") amounts received from the CMS will be used to offset required annual premium contributions from retirees. Projected required annual premium contributions from all retirees are estimated to exceed projected RDS amounts, for Medicare Part D eligible retirees, received from the CMS annually. Therefore, the RDS received by Pioneer is assumed to have no impact on the results of the estimation of benefit obligations.

10. INCOME TAXES

Pioneer files consolidated income tax returns with its wholly-owned subsidiaries, OT&T and PLD.

The provision for income taxes for the years ended December 31, 2013 and 2012 is as follows:

	<u>2013</u>	<u>2012</u>
Current expense	\$407,403	\$ 501,844
Deferred expense (benefit)	<u>156,818</u>	<u>(174,469)</u>
Total income tax expense	<u>\$564,221</u>	<u>\$ 327,375</u>

Pioneer's effective tax rate differs from the amount computed at the Federal statutory rate primarily due to the income tax deduction for patronage allocation.

The tax effects of the temporary differences which gave rise to deferred income tax assets and liabilities at December 31, 2013 and 2012 were:

	<u>2013</u>	<u>2012</u>
Current deferred income tax asset:		
Accrued vacation	\$ 600,313	\$ 581,681
Accounts payable and other liabilities	435,352	569,934
Other	<u>26,772</u>	<u>30,329</u>
Net current deferred income tax asset	<u>\$1,062,437</u>	<u>\$1,181,944</u>

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	<u>2013</u>	<u>2012</u>
Noncurrent deferred income tax asset (liability):		
Property, plant, and equipment	\$(16,791,484)	\$(17,623,261)
Postretirement benefits	6,541,236	9,175,974
Long-term disability liability	13,511	24,245
Deferred compensation	194,535	217,830
Other	<u>18,839</u>	<u>28,302</u>
Net noncurrent deferred income tax asset (liability)	<u><u>\$(10,023,363)</u></u>	<u><u>\$ (8,176,910)</u></u>

11. RETIREMENT PLAN

Pioneer administers the Pioneer Telephone Cooperative, Inc. 401(k) Plan (the "Plan"). Employees become eligible to participate in the Plan after completing one year of service and attainment of age 21. Annually, Pioneer contributes 14.6% of the eligible compensation, as defined in the Plan, for each fully vested participant. The employees may make elective contributions. For the years ended December 31, 2013 and 2012, Pioneer contributions totaled approximately \$3,852,000 and \$4,178,000, respectively. Contributions to the Plan made on behalf of employees of Pioneer's subsidiaries are charged to the appropriate subsidiary as part of allocated overhead cost.

12. RELATED PARTY TRANSACTIONS

Pioneer provides administrative services, including information processing, general management and personnel support, to its various subsidiaries. The cost of the services provided is determined based upon specific identifiable costs attributable to the subsidiaries or in accordance with Pioneer's allocation policies. Expenses of approximately \$13,867,000 and \$15,063,000 were allocated to subsidiaries during 2013 and 2012, respectively.

Additionally, Pioneer provides telecommunications services such as telephone service, fiber and tower leasing services, access services, and billing and collecting services to its various subsidiaries. Such services are included as revenues by Pioneer and approximated \$14,593,000 in 2013 and \$13,410,000 in 2012.

Additionally, Pioneer's subsidiaries provide telecommunications services to Pioneer, such as cellular and long distance service. Such expenses approximated \$1,089,000 in 2013 and \$1,115,000 in 2012.

13. COMMITMENTS

Pioneer leases towers from unrelated parties, under operating leases expiring in various years through 2037.

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Future minimum lease payments required under operating leases that have an initial or remaining non-cancelable lease term in excess of one year at December 31, 2013 were as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2014	\$ 172,000
2015	170,000
2016	170,000
2017	166,000
2018	163,000
Thereafter	<u>1,541,000</u>
	<u>\$2,382,000</u>

Rent expense of approximately \$180,000 and \$181,000 under these agreements was charged to operations during 2013 and 2012, respectively.

Pioneer has guaranteed a bank loan of CNP (a majority-owned subsidiary of OT&T). Pioneer would be obligated in the event that CNP failed to meet certain debt covenant ratios and was unable to meet debt service payments when they become due. As of December 31, 2013, the maximum amount payable under this guarantee is approximately \$5,700,000, the outstanding balance of the CNP debt. Borrowings under the CNP debt are due in monthly payments through December 2015. No liability is included in the accompanying financial statements for this guarantee. Pioneer's obligation under the guarantee is unsecured.

14. RISKS AND UNCERTAINTIES

Pioneer is subject to audits from federal and state oversight organizations because of its participation in certain high cost funding mechanisms. At this time, Pioneer does not expect any such audits to have a material effect on its financial statements.

* * * * *

In November 2011, the Federal Communications Commission ("FCC") released the "USF/ICC Transformation Order" (the "Order") and "Further Notice of Proposed Rulemaking" ("FNPRM"), with the stated objective of reforming and modernizing the universal service and intercarrier compensation systems.

To date, numerous petitions for reconsideration of certain aspects of the Order and FNPRM have been filed by certain affected companies and telecommunications industry organizations. In addition, in February 2012, the FCC issued a further order to revise and clarify certain rules of the Order, and to modify certain requirements of the Order. This further order also stated that the above mentioned petitions for reconsideration are pending before the FCC and will be addressed by the FCC.

The final resolution of the above-mentioned petitions for reconsideration and their effect on the ultimate provisions of the Order and FNPRM is unknown at this time.

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As a result, the effect of the Order and FNPRM on Pioneer's intercarrier revenues and universal service revenues is not known at this time.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

Unless otherwise noted below, the carrying value of Pioneer's financial instruments, including cash and cash equivalents, accounts receivable and payable, approximates the fair value.

The fair value of the following financial instruments is based on the following valuation methodologies. There have been no changes in the methodologies used at December 31, 2013 as compared to those used at December 31, 2012.

Municipal Securities (included in investment securities): Measured by pricing models based on asset class and include available trade, bid and other market information. Methodology includes broker quotes.

Long-Term Debt: Measured using a discounted cash flow analysis based on Pioneer's current borrowing rates for similar types of debt.

Investment in Oklahoma RSA-3: It is not practical to reasonably estimate the fair value of Pioneer's investment in Oklahoma RSA-3.

		December 31, 2013	
		Carrying Amount	Estimated Fair Value
Assets			
Investment securities		<u>\$35,348,160</u>	<u>\$35,847,386</u>
Investment in Oklahoma RSA-3		<u>\$ 228,606</u>	<u>N/A</u>
		December 31, 2012	
		Carrying Amount	Estimated Fair Value
Assets			
Investment securities		<u>\$36,175,233</u>	<u>\$36,804,871</u>
Investment in Oklahoma RSA-3		<u>\$ 220,895</u>	<u>N/A</u>
Liabilities			
Long-term debt		<u>\$ 705,128</u>	<u>\$ 713,000</u>

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Carrier Name : PIONEER TEL COOP INC

Program Year : 2015

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